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Note by the President of the Security Council

In paragraph 2 of resolution 2207 (2015), the Security Council requested the Panel of Experts established pursuant to resolution 1874 (2009) to provide a final report to the Council with its findings and recommendations.

Accordingly, the President hereby circulates the report received from the Panel of Experts (see annex).

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* Reissued for technical reasons on 18 April 2016.

Annex

Letter dated 22 February 2016 from the Panel of Experts established pursuant to resolution 1874 (2009) addressed to the President of the Security Council

The Panel of Experts established pursuant to resolution 1874 (2009) has the honour to transmit herewith, in accordance with paragraph 2 of resolution 2207 (2015), the final report on its work.

The report was provided to the Security Council Committee established pursuant to resolution 1718 (2006) on 19 January 2016 and was considered by the Committee on 16 February 2016.

The Panel would appreciate it if the present letter and its enclosure were brought to the attention of the members of the Security Council and issued as a document of the Council.

(*Signed*) Hugh **Griffiths**
Coordinator
Panel of Experts established pursuant to
Security Council Resolution 1874 (2009)

(*Signed*) Benoit **Camguilhem**
Expert

(*Signed*) Katsuhisa **Furukawa**
Expert

(*Signed*) Dmitry **Kiku**
Expert

(*Signed*) Youngwan **Kim**
Expert

(*Signed*) Stephanie **Kleine-Ahlbrandt**
Expert

(*Signed*) Neil **Watts**
Expert

(*Signed*) Jiahu **Zong**
Expert

Enclosure

Letter dated 18 January 2016 from the Panel of Experts established pursuant to resolution 1874 (2009) addressed to the Chair of the Security Council Committee established pursuant to resolution 1718 (2006)

The Panel of Experts established pursuant to Security Council resolution 1874 (2009) has the honour to transmit herewith, in accordance with paragraph 2 of Security Council resolution 2207 (2015), the final report on its work.

The Panel would appreciate it if the present letter and the report were brought to the attention of the members of the Security Council Committee established pursuant to resolution 1718 (2006).

(*Signed*) Hugh Griffiths
Coordinator
Panel of Experts established pursuant to
Security Council resolution 1874 (2009)

(*Signed*) Benoit Camguilhem
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Report of the Panel of Experts established pursuant to resolution 1874 (2009)

Summary

A decade since the Democratic People's Republic of Korea conducted its first nuclear test and since the adoption of the resulting United Nations sanctions regime, the Panel has found no indications that the country intends to abandon its nuclear and ballistic missile programmes. To the contrary, the country recently conducted its fourth nuclear test and is also proceeding with its prohibited ballistic missile development, including the test of a submarine-launched ballistic missile and continued ballistic missile launches. Given the stated intentions of the Democratic People's Republic of Korea and its continued efforts to enhance the scope of its nuclear and missile programmes and to seek international acceptance and legitimacy for these prohibited programmes, there are serious questions about the efficacy of the current United Nations sanctions regime.

The Panel's investigations have shown that the Democratic People's Republic of Korea has been effective in evading sanctions and continues to use the international financial system, airlines and container shipping routes to trade in prohibited items. Designated entities conceal their illicit activities by embedding agents in foreign companies. They use diplomatic personnel, long-standing trade partners and relationships with a small number of trusted foreign nationals. Its designation in July 2014 notwithstanding, Ocean Maritime Management Company, Limited continues to operate through foreign-flagged vessels, name and company reregistrations and the rental of crews to foreign ships. This enables it to obtain access to foreign ports in the region and beyond, as well as maritime insurance, a prerequisite for operation.

The country has continued to engage in the export of ballistic missile-related items to the Middle East and trade in arms and related materiel to Africa. It continues to exploit long-standing military relationships in Africa and Asia to provide training for police and paramilitary units. New trends include the acquisition of foreign-sourced high-end commercial products as well as rudimentary systems to strengthen its capability to indigenously develop its prohibited programmes. The country is also using its participation in international organizations in an effort to legitimize its space launch programme and gain access to scientific networks and knowledge.

All these activities are facilitated by the low level of implementation of Security Council resolutions by Member States. The Panel has consistently highlighted the problems of non-implementation of the resolutions, which allows prohibited activity to continue. The reasons are diverse, but include lack of political will, inadequate enabling legislation, lack of understanding of the resolutions and low prioritization.

The Panel has recommended several designations in the light of the involvement of individuals and entities in prohibited activities or sanctions evasion. It has also suggested updates to the sanctions list. The Panel's report and its conclusions raise important questions about the overall efficacy of the United Nations sanctions regime, which, its progressive tightening over 10 years notwithstanding, has still failed to ensure that the Democratic People's Republic of Korea abandons its nuclear and ballistic missile programmes.

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* **The annexes are being circulated in the language of submission only and without formal editing.**

Glossary

The following words and phrases are used in the present report with the following specific meanings:

"The country"	The Democratic People's Republic of Korea
"The Committee"	The Security Council Committee established pursuant to resolution 1718 (2006)
"The resolutions"	Security Council resolutions 1718 (2006), 1874 (2009), 2087 (2013) and 2094 (2013)
"The Panel"	The Panel of Experts established pursuant to resolution 1874 (2009)
"The sanctions"	The measures set out in the resolutions
"The sanctions list"	The list established and maintained by the Committee pursuant to resolution 1718 (2006) with respect to individuals, entities, groups or undertakings
"Interdiction"	The inspection, seizure and disposal of cargo as defined in paragraphs 11 to 14 of resolution 1874 (2009), paragraph 8 of resolution 2087 (2013) and paragraph 16 of resolution 2094 (2013)
"Designate/Designation"	Action taken by the Security Council or the Committee under paragraphs 8 (d) and (e) of resolution 1718 (2006) (as amended by subsequent resolutions, including paragraph 27 of resolution 2094 (2013)) against individuals or entities (asset freeze and/or travel ban)

I. Introduction

1. By its resolution 2207 (2015), the Security Council extended the Panel's mandate until 5 April 2016. The present report covers the period from 6 February 2015 to 5 February 2016.

2. The Panel reviews herein evidence regarding the continued efforts by the Democratic People's Republic of Korea to develop nuclear weapons, other weapons of mass destruction and ballistic missiles. It examines the implementation of the resolutions by Member States and violations of the sanctions measures. Continuing investigations are covered in annex 1. The Panel also tracks the implementation by Member States of the Committee's decisions, including the designation of certain individuals and entities for the imposition of the asset freeze and the travel ban. Lastly, the Panel submits recommendations to improve the implementation of the resolutions.

II. Background and political context

3. The situation in the Democratic People's Republic of Korea has shown little fundamental change over the past year. Four years into his rule, and a decade since the adoption of United Nations sanctions, Kim Jong Un continues to consolidate his power and defy the resolutions by strengthening his country's nuclear and ballistic missile capabilities and continuing to trade in arms and related materiel. The country has taken clear steps to increase its commitment to developing its nuclear programmes and seeks opportunities to emphasize its claim to having the status of a nuclear State. In September 2015, it announced that all nuclear facilities were in "normal operation", with ongoing missions to improve the "quality and quantity" of its nuclear weapon stockpile.[1] On 6 January 2016, the country undertook its fourth nuclear test at Punggye-ri and reiterated that it would "steadily escalate its nuclear deterrence", which it would never renounce under any circumstances.

4. Internally, Kim Jong Un has continued to consolidate his power, including through the elimination and replacement of key officials, while underlining the need for parallel development of the economy and nuclear capability.[2] While devoting new focus to improving the civilian economy, the regime is continuing its efforts to bolster the national defence sector, including by upgrading weapon systems and building its weapons of mass destruction capabilities. When tensions escalated in the demilitarized zone in August 2015, Kim Jong Un put the Korean People's Army on a war footing.[3] Inter-Korean talks succeeded in dissipating the crisis, but relations between the country and the Republic of Korea remain precarious.

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[1] See "Director of Atomic Energy Institute of DPRK on its nuclear activities", Korea Central News Agency (KCNA), 15 September 2015, available from www.kcna.kp (accessed on 15 September 2015).

[2] See Democratic People's Republic of Korea, Permanent Mission to the United Nations, press release, 31 October 2015, and "Kim Jong-Un makes speech at military parade and public procession of Pyongyang citizens", KCNA, 11 October 2015, available from www.kcna.kp (accessed on 11 October 2015).

[3] See "DPRK FM on situation that reached brink of war", KCNA, 21 August 2015, available from www.kcna.kp (accessed on 21 August 2015).

5. The interaction of the Democratic People's Republic of Korea with the international community in 2015 was characterized by both condemnation of sanctions alongside calls for a peace treaty and bilateral talks while shunning any commitment to denuclearization or the resumption of the Six-Party Talks from which it withdrew in 2009. The country also categorically rejected resolutions by two United Nations bodies on the human rights situation, stating that the allegations were patently false.[4]

6. Sanctions have not prevented the Democratic People's Republic of Korea from gradually improving and expanding its nuclear and ballistic missile capabilities. In addition to the growth of its nuclear programmes, it has placed heightened emphasis on its missile programmes, developing short-range missiles through tests, upgrading its launch facilities at Sohae and indicating that it is committed to developing a submarine-launched ballistic missile capability, of which it undertook tests in May and December (and reportedly also November). It also continues to upgrade its Sinpo submarine shipyard. The country has further promised "a variety of satellites and long-range rockets which will be launched by the Democratic People's Republic of Korea one after another" in the future.[5]

7. These developments indicate that the prospects of the Democratic People's Republic of Korea addressing the security and humanitarian concerns of the international community as expressed in the resolutions are increasingly remote. The need for all Member States to be committed to the strengthened enforcement of United Nations sanctions remains as important as ever.

III. Panel and its methodology

8. The Panel adheres to its mandate to gather, examine and analyse information from States, relevant United Nations bodies and other interested parties regarding the implementation of the measures imposed in the resolutions, in particular incidents of non-compliance, and to make recommendations on action that the Security Council, the Committee or Member States may consider to improve the implementation of the measures imposed under the resolutions.

9. The Panel conducts its work in line with the methodological standards of the Informal Working Group of the Security Council on General Issues of Sanctions (see S/2006/997). It strives to maintain high evidentiary standards, despite not having the subpoena, forensic capabilities and investigative powers of a judicial body. It relies on three types of information: experts' first-hand and on-site observations; information supplied by Member States, international organizations, officials, accredited media sources/journalists and private individuals; and information found in the public domain. The Panel keeps in mind the identity and role of sources, consistently seeks corroboration and ensures that information provided on a confidential or restricted basis is handled consistently with the responsibilities of the Panel. The Panel offers individuals and entities the

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[4] See "FM spokesman categorically rejects anti-DPRK human rights resolution", KCNA, 21 November 2015, available from www.kcna.kp (accessed on 21 November 2015).

[5] See "Kim Jong-Un watches strategic submarine underwater ballistic missile test-fire", KCNA, 9 May 2015, available from www.rodong.rep.kp/en/index.php?strPageID=SF01_02_01&newsID=2015-05-09-0014.

opportunity to reply during the course of investigations. The sources for all figures are the Panel, unless otherwise indicated.

10. During the reporting period, the Panel submitted four incident reports to the Committee. It took account of those cases in the present report, as well as providing information on ongoing investigations. The Panel held consultations with 33 Member States, 14 United Nations bodies and other interested parties. It also continued to cooperate with other United Nations sanctions panels and groups. The Panel sent 748 requests for information and 88 follow-up letters relating to its investigations to Member States (see annex 2), international organizations and private entities and individuals. It received 215 responses.

IV. Reports by Member States

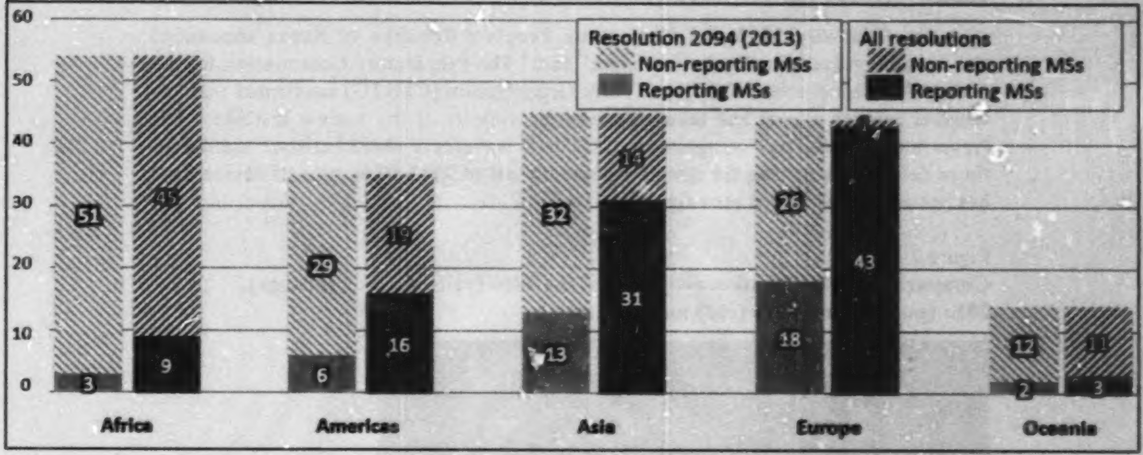
A. National implementation reports

11. Ten years since the adoption of resolution 1718 (2006), the Panel continues to observe an extremely high number of non-reporting and late-reporting States, especially in Africa (see annex 3). During the reporting period, only six Member States submitted national implementation reports in accordance with resolution 2094 (2013). To date, only 42 Member States (of 193) have reported to the Committee under resolution 2094 (2013), with 90 having never reported under any of the resolutions (see fig. 1). The Panel sent reminders to 93 non-reporting Member States, 7 of which served as non-permanent members of the Security Council in 2015.

12. In addition to the low rate of reporting, the Panel notes the poor quality and lack of detail of the reports received. The lack of good information impedes the Panel's ability to report on sanctions implementation and to properly analyse the challenges in national implementation. Member States' lack of capacity and political will further exacerbates their difficulties in understanding the basic scope and substance of the resolutions. Overall, these conditions create the opportunity for the Democratic People's Republic of Korea to continue its prohibited activities.

13. In 2015, the Panel actively encouraged the seven non-permanent members of the Security Council to come into compliance with their reporting obligations. Given that Committee members should lead by example in the submission of implementation reports, the Panel recommends that the Committee consider bilateral approaches (see recommendation 1).

Figure 1
Overview of reporting by region



B. Reports of non-compliance and other matters

14. In addition to national implementation reports, Member States are obliged to report promptly to the Committee on all instances of inspections of cargo, including without or before an incident of violation. Only one Member State reported its inspection and subsequent seizure of an arms-related shipment connected to designated entities.

15. The Security Council has called upon all States to provide information at their disposal regarding non-compliance with the resolutions (see recommendation 11). The Committee received 14 such reports. Multiple Member States reported on the short-range ballistic missile launches in March 2015 and a submarine-launched ballistic missile ejection test by the Democratic People's Republic of Korea in May 2015.

V. Continuing violations by the Democratic People's Republic of Korea of its obligation to abandon nuclear, other weapons of mass destruction and ballistic missile programmes

16. The country continues to blatantly violate the resolutions, countering repeated demands by the Security Council to fulfil its international obligations in this area in a clear, irreversible and verifiable manner. It continues to develop its nuclear and ballistic missile programmes, including by improving its testing infrastructure and strengthening the role of the agencies involved. It has continued to deepen its research and knowledge in these areas, including through participation in various international organizations, which has allowed it access to scientific training and networks. The fourth nuclear test and the successful submarine-launched ballistic missile ejection test show the country's determination to pursue increasingly sophisticated systems while trying to support its claim of having the status of a nuclear State.

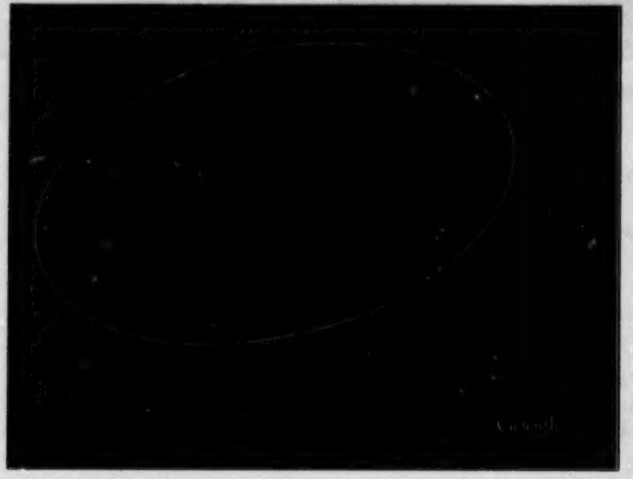
A. Recent nuclear-related activities

1. Nuclear test of 6 January 2016

17. On 6 January 2016, the Democratic People's Republic of Korea announced that it had conducted a "hydrogen bomb" test.[6] The Preparatory Commission for the Comprehensive Nuclear-Test-Ban Treaty Organization (CTBTO) confirmed that "an unusual seismic event" had taken place in the vicinity of the nuclear test site.[7] The "man-made explosion" (magnitude 4.85) had waveform characteristics similar to those detected following the country's nuclear test in 2013.[7] The type of device used has yet to be determined (see fig. 2).

Figure 2

Comparison of the location estimates of the 2006 (yellow), 2009 (orange), 2013 (purple) and 2016 (red) nuclear tests



Source: CTBTO.

2. Expansion of nuclear infrastructure and continuing activities

18. The satellite images of the nuclear test site showed constant activities in the area throughout 2015, especially near the west portal, such as heavy traffic, construction of new buildings and excavation and logging activities (see annex 4).

19. On 15 September 2015, the Director of the "Atomic Energy Institute" of the Democratic People's Republic of Korea[8] said that "all the nuclear facilities in Nyongbyon, including the uranium enrichment plant and 5 MW graphite-moderated

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[6] See "DPRK proves successful in H-bomb test", *Rodong Sinmun*, 7 January 2016, available from www.rodong.rep.kp/en/index.php?strPageID=SF01_02_01&newsID=2016-01-07-0004.

[7] See CTBTO, "CTBTO Executive Secretary Lassina Zerbo on the unusual seismic event detected in the Democratic People's Republic of Korea", press release, 6 January 2016, available from www.ctbto.org/press-centre/press-releases/2016/ctbto-executive-secretary-lassina-zerbo-on-the-unusual-seismic-event-detected-in-the-democratic-peoples-republic-of-korea/.

[8] Korean: 조선민주주의인민공화국 원자력연구원.

reactor, were rearranged, changed or readjusted and they started normal operation".[9] The statement appears to be broadly consistent with the various nuclear-related activities reported on 26 August 2015 by the Director General of the International Atomic Energy Agency (IAEA).

20. IAEA reported continuing renovation and new construction activities at various locations within the Yongbyon site, which indicated that the 5 MW(e) reactor had operational status, continuing construction at the light water reactor site[10] and the extension and use of the building reportedly housing the enrichment facility (the building's floor area was effectively doubled in 2014).[11] IAEA has also observed, through satellite imagery, activities that appear to be related to mining and milling at the Pyongsan uranium mine and uranium concentration plant.

21. Commercial satellite images show that the activities appear to have continued throughout the reporting period, consistent with the country's announcement that all nuclear facilities were in "normal operation". The images confirmed the construction of what appears to be an electrical switchyard adjacent to the light water reactor, truck activities near the 5 MW(e) reactor housing building, discharge and outflow of cooling water at the reactor (with some possible break in July and November 2015) and renovation and new construction of buildings near the possible fuel assembly building and at the uranium enrichment facility (see annex 5).

22. Although it is impossible to determine conclusively the operational status and the purpose or nature of the developments on the basis of satellite images alone, the active status of the facilities and reactor, if confirmed, would allow the Democratic People's Republic of Korea to produce additional fissile material stockpiles for its nuclear programme. This would be consistent with the country's stated intent to expand and improve its nuclear arsenal.

3. Nuclear-related entities and individuals

Munitions Industry Department

23. The Panel has previously reported that the Munitions Industry Department[12] has played a key role in the country's nuclear and missile programmes (see S/2010/571, para. 55, and S/2013/337, para. 37). The Panel has confirmed the Department's key role in the nuclear test of January 2016, with its name appearing on the orders of 15 December 2015 and 3 January 2016 signed by Kim Jong Un to conduct the test. The documents clearly show that the Department planned and prepared for the test (see fig. 3).

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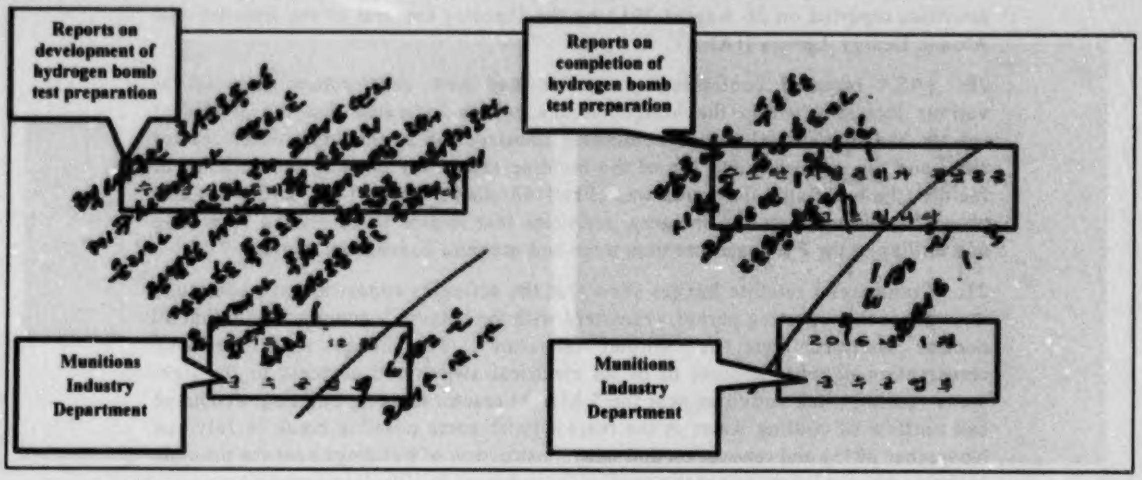
[9] See "Director of Atomic Energy Institute of DPRK on its nuclear activities", KCNA, 15 September 2015, available from www.kcna.kp (accessed on 15 September 2015).

[10] IAEA reported that there were no indications of the delivery or introduction of major reactor components into the light water reactor containment building.

[11] See IAEA document GOV/2015/49-GC(59)/22.

[12] Also known as the Military Production Arms Department, the Military Supplies Industry Department, the Machine Industry Department or the Machine Building Industry Department of the KPW Central Committee. Korean: 군수공업부 or 기계공업부.

Figure 3
Munitions Industry Department reports on "hydrogen bomb" test preparation


Reports on development of hydrogen bomb test preparation
Reports on completion of hydrogen bomb test preparation
Munitions Industry Department
Munitions Industry Department

Source: *Rodong Sinmun*, 7 January 2016.

24. Three senior officials, Ri Man Gon, Ri Pyong Chol and Pak To Chun, participated in a celebratory photo session with Kim Jong Un, which featured their key roles in the nuclear test.[13] Mr. Ri Man Gon appears to have become the new Director of the Munitions Industry Department sometime between December 2015 and 7 January 2016. The Panel previously reported that Mr. Park played a key role in the country's nuclear and missile programmes (see recommendation 7, confidential annex 109 and S/2013/337, para. 37).

International intergovernmental research organization

25. The Panel previously reported on the participation of the Democratic People's Republic of Korea in the activities of the Joint Institute for Nuclear Research, an international intergovernmental research organization for nuclear sciences based in the Russian Federation (see S/2015/131, paras. 29-33). In response to the Panel's inquiries, the Institute's Chief Scientific Secretary confirmed that no nationals from the Democratic People's Republic of Korea had been affiliated with the Institute since 31 March 2015 and that the country's membership had been suspended until it was able to fully implement its obligations to the Institute. The Panel notes that the Institute's decision is consistent with the provisions of the resolutions.

26. The Institute confirmed that the representative of the Democratic People's Republic of Korea to the Committee of Plenipotentiaries was Ri Je-Son (listed as "Li Je Sen") (see S/2015/131, para. 29). He was designated by the Committee in July 2009 as the then Director of the General Bureau of Atomic Energy and has been Minister of Atomic Energy Industry since April 2014. According to the Institute, two individuals have participated in the Committee's sessions on his

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[13] See "Kim Jong Un has photo session with contributors to H-bomb test", *Rodong Sinmun*, 11 January 2016, available from www.rodong.rep.kp/en/index.php?strPageID=SF01_02_01&newsID=2016-01-11-0024.

behalf since 2010. Pursuant to the resolutions, they should be subjected to the asset freeze and the travel ban by relevant Member States as individuals who acted on behalf of Mr. Ri. They are:

(a) Mr. Jon Myong Chol, then the First Secretary of the Embassy of the Democratic People's Republic of Korea in Moscow, who participated on 25 and 26 March and 26 and 27 November 2010, 25 and 26 March and 25 and 26 November 2011 and 26 and 27 March 2012;

(b) Mr. Kim Se Gon, then the First Secretary of the Embassy of the Democratic People's Republic of Korea in Moscow, who participated on 23 and 24 November 2012, 25 and 26 March and 22 and 23 November 2013, 25 and 26 March 2014 and 25 and 26 March 2015.

27. The Panel recommends that the Committee add the alias of "Li Je Sen" to the information about Mr. Ri (KPi.002) provided in the sanctions list (see recommendation 4 (a)).

B. Recent activities relating to the ballistic missile programme

1. Ballistic missile launches

28. The Democratic People's Republic of Korea has continued to launch ballistic missiles. The Panel identified two trends in 2015 regarding the country's ballistic missile programme:

(a) Development of improved short-range ballistic missiles with high accuracy and rapid strike capacity through the testing of an extended-range version of its solid-propellant KN-02 short-range ballistic missile;

(b) Development of a rudimentary submarine-based ballistic missile strike capability by conducting an underwater ejection test of such a missile.

Short-range ballistic missile

29. The country launched two short-range ballistic missiles on 2 March 2015.[14] They achieved a range of some 500 km. Several Member States identified them as Scud class ballistic missiles. The range is consistent with the capability of the country's Scud-C type ballistic missile launched at maximum range. As in previous cases, the launches were conducted without warning, constituting a safety hazard for nearby vessels and aircraft.

30. Regarding the launch of 14 August 2014 in the Wonsan area of the country (see S/2015/131, para. 38), the Panel assessed the projectile as an enhanced version of the KN-02 ballistic missile,[15] given the similarities of their shapes and the achieved range of 220 km.[16] The Panel notes that the KN-02 missile has distinct similarities to the 9M79 ballistic missile (see fig. 4)[17] and is consistent with the

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[14] Seven Member States reported the launches to the Committee.

[15] The KN-02 is considered by several Member States to be a short-range ballistic missile using solid fuel propellant with an estimated range of 120 km.

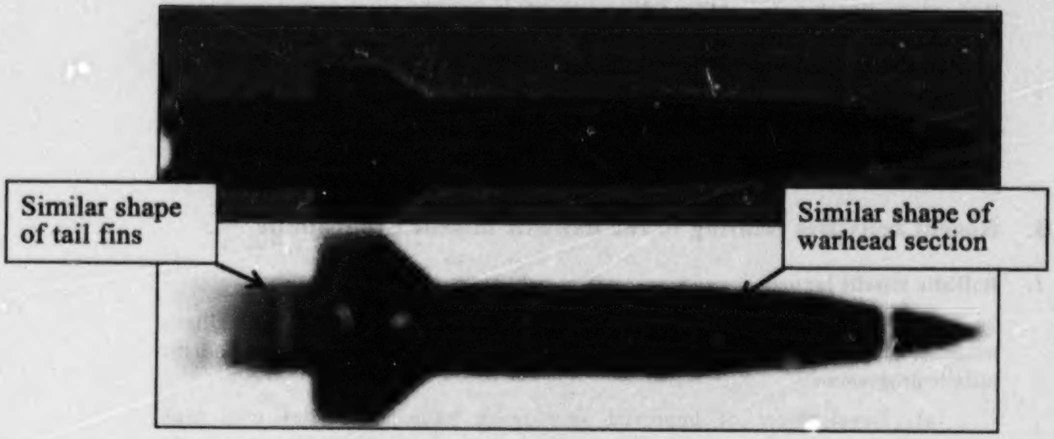
[16] See Jeffrey Lewis, "Don't know where Waldo went, but Kim Jong-Un was in Wonsan: geolocating North Korea's June 26 and August 14 missile launches", 38 North, 3 November 2014, available from http://38north.org/2014/11/jlewis110314/.

[17] The 9M79 ballistic missile is also known as Tochka or SS-21 and reportedly has a circular error probable of 160 m.

country's statement that it launched an "ultra-precision high-performance tactical rocket".[18] The Panel further corroborated its analysis with information from a Member State that the country reverse-engineered the 9M79 missile (see annex 6) to develop the KN-02 missile.[19] Since then, the country has actively worked on a new version by reducing the missile's payload to increase its range.[20]

Figure 4

Similarities between the 9M79 missile (top) and the missile launched by the Democratic People's Republic of Korea on 14 August 2014 (bottom)



Source: www.militaryphotos.net (top) and KCNA (bottom).

31. According to a Member State, the country conducted launches on three occasions of projectiles believed to be the KN-02 missile or improved versions thereof (see table 1).

Table 1

KN-02 and KN-02 improved version launches in 2015

Date and time	*Number of projectiles*	*Type*	*Range (km)*
8 February, 4.10-5.10 p.m.	5	Assumed to be one KN-02 improved version and four 300-mm guided artillery rockets	200
2 April, 10.30 a.m.	1	Assumed to be KN-02	140
3 April, 4.14-5 p.m.	4	Assumed to be KN-02	> 100

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[18] See "Kim Jong-Un guides tactical rocket test-fire", KCNA, 15 August 2014, available from www.kcnawatch.co/newstream/1451896687-307647019/kim-jong-un-guides-tactical-rocket-test-fire/.

[19] According to a Member State, the country obtained 9M79 ballistic missiles from the Syrian Arab Republic in 1996.

[20] Extended range is obtained by reducing the weight of the warhead from 480 to 150 kg.

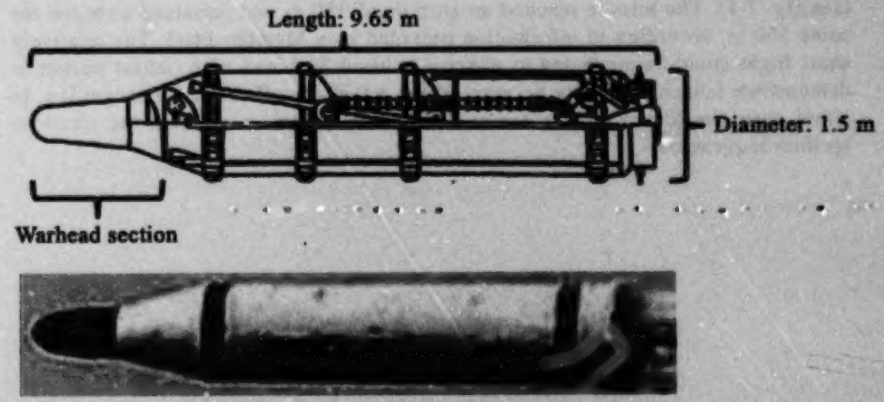
Submarine-launched ballistic missile

32. Seven Member States reported to the Committee that the Democratic People's Republic of Korea had conducted a ballistic missile test on 8 May 2015 from an underwater platform near the east coast port of Sinpo. The reports were consistent with official announcements on 9 May 2015 of "an underwater test-fire of [a] Korean-style powerful strategic submarine ballistic missile" (see annex 7).[21] The development and possible future deployment of submarine-launched ballistic missiles would add a sea-based component to the country's ballistic missile capabilities.

33. Official images of the missile (see annex 8) show "북극성-1" (Pukgeukseong-1),[22] commonly referred to as the KN-11. Externally, the missile closely resembles the former Soviet-era SS-N-6/R-27 submarine-launched ballistic missile, given the distinctive similarities of its shape and in particular the warhead (see fig. 5). The absence of white smoke behind the missile when clear of the sea indicates a liquid propellant, as used by the R-27 missile. According to information provided by a Member State, the missile is identical to the R-27 missile, which was procured from the former Soviet Union in the 1990s and then reverse-engineered by the Democratic People's Republic of Korea.

Figure 5

Aspect ratios of the KN-11 and R-27 missiles



Source: R-27 (top): Thomas Cochran and others, *Soviet Nuclear Weapons*, Nuclear Weapons Databook, vol. 4 (New York, Harper and Row, 1989); submarine-launched ballistic missile (bottom): *Rodong Sinmun*, 9 May 2015.

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[21] See "Kim Jong-Un watches strategic submarine underwater ballistic missile test-fire", KCNA, 9 May 2015, available from www.rodong.rep.kp/en/index.php?strPageID=SF01_02_01&newsID=2015-05-09-0014.

[22] Its name in English is "North Star-1" or "Polaris-1".

Figure 6
Images relating to the launch of 8 May 2015

Source: *Rodong Sinmun*, 9 May 2015.

34. The Panel is of the view that several of the photographs of the test (see fig. 6) were manipulated and unrelated images may have been inserted (see annex 9). Without underwater footage, the launch platform could not be verified with certainty by the Panel.

35. The missile appears to have ignited above water (see figs. 6 and 7-3 to 7-5), indicating an underwater cold ejection[23] from the tube, possibly by compressed gas (see fig. 7-1). The missile reached an altitude of 150 m and remained airborne for some 500 m, according to information provided by a Member State. The relatively short flight could be attributed to either a reduced fuel load with ballast weight to demonstrate launch capability or, more likely, a fuel cut-off shortly after ignition. In either case, the launch took place at full launch weight to validate the ejection-ignition sequence.

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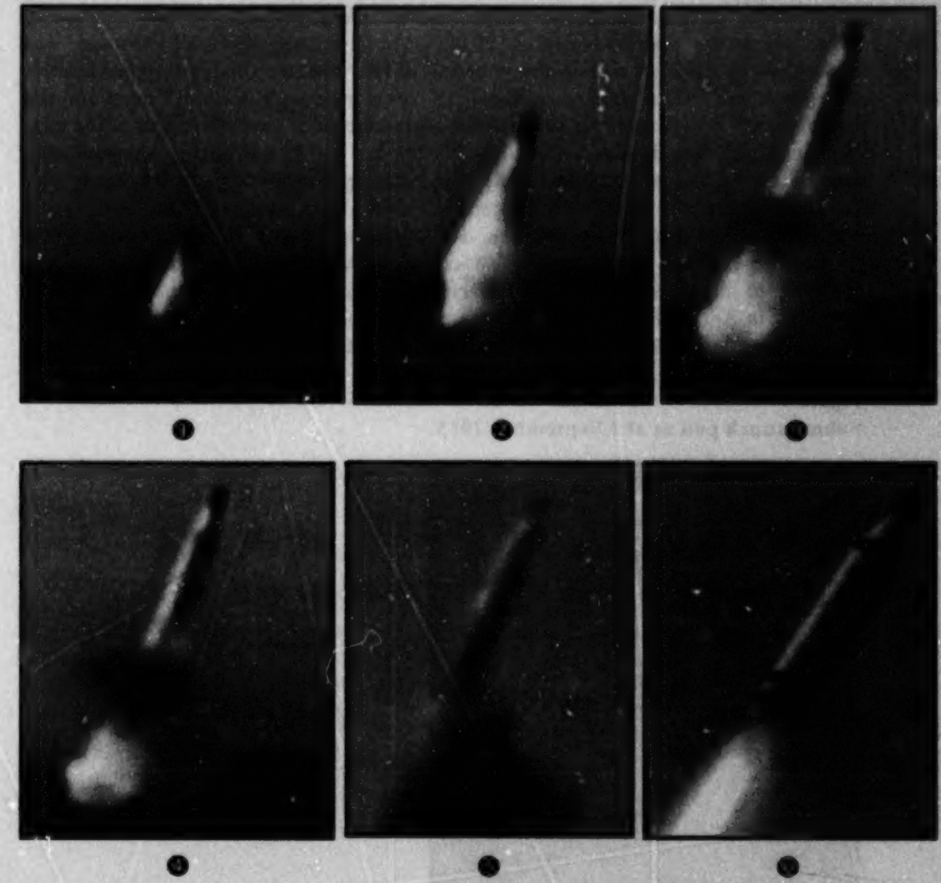
[23] A ballistic missile launch system can be either "hot launch", where the missile ignites in the tube, or "cold launch", where the missile is expelled from the tube and then ignites.

Figure 7
Ballistic missile test sequence of 8 May 2015



Source: KCNA.

36. The Panel considers the test to be a major technological development and a clear indication of a continuing programme to develop and make the submarine-launched ballistic missile operational. More tests would be needed to complete the operationalization of the launch system and missile, in particular a full-scale flight test, which might be a current limitation for the country.

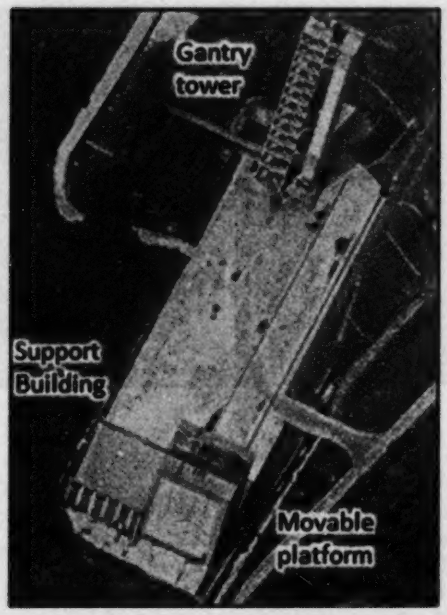
2. Launch facility activity

37. In 2015, the country continued rapid work on the Sohae satellite launching station, with further improvements to the launch area. Owing to substantial concealment work during each step of the launch preparation infrastructure, it will be more difficult to detect any pre-launch activities. The Panel also monitored the Sinpo shipyard, a facility related to the country's submarine-launched ballistic missile programme.

Sohae satellite launching station

38. Imagery analysis shows that the country is deliberately undertaking concealment work to hide space launch vehicle launch preparations (see annex 10). After excavation work in March 2015, a new underground rail terminal was completed in April. A slot in the concrete of the new terminal, of approximately 20 m in length, could be used to install an elevator between the rail tunnel and the launch pad.[24] A new building has also been constructed at the eastern end of the pad. The building's foundations were evident in January 2015, with steady progress until completion by September (see fig. 8). The building's location indicates that it may be a launch support facility for space launch vehicle assembly or check-out in the launch preparation phase. In addition, a new platform that moves along rails could be used to conceal movements of space launch vehicle stages from the support building to the gantry tower.[25] The construction of the platform was initially observed in April 2015 and had been completed by September (see ibid.). Lastly, a cover is attached to the gantry tower (see annex 12 for additional imagery).[26]

Figure 8
Sohae launch pad as at 1 September 2015



Source: GeoEye-1.

39. Refurbishment activity has been observed at the assembly building, where new sheds have been constructed. A shelter has been placed over the rail spur, possibly

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[24] See "North Korea: new construction at the Sohae satellite launching station", 38 North, 28 May 2015, available from http://38north.org/2015/05/sohae052815/.

[25] The mobile platform is 21 m wide, 29 m long and 28 m high.

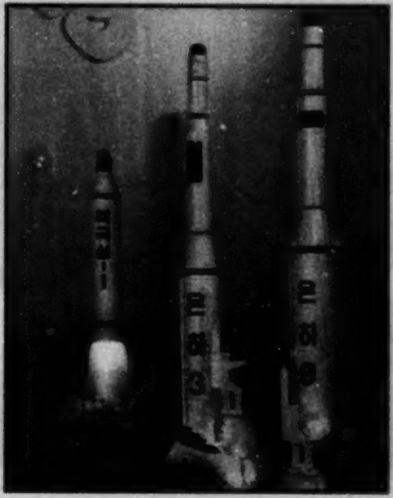
[26] The cover on the gantry tower was seen in October 2014.

to conceal rail activity associated with the transport of space launch vehicle stages (see annex 11).

40. Other activities observed suggest that larger rocket engines could be tested in the future. New, larger buildings with the capacity to store additional propellants have been constructed west of the launch pad and within the engine test area (see annexes 12 and 13).[27] This hypothesis would be consistent with the ability of the gantry tower to handle space launch vehicles larger than the Unha-3, as stated in the Panel's previous report (see fig. 9).

Figure 9

Models of submarine-launched ballistic missile, Unha-3 and Unha-9



Source: Kyodo News, 13 October 2015.

Sinpo shipyard

41. Satellite images of the Sinpo shipyard area on the east coast leading up to the test of 8 May 2015 show work on infrastructure relating to the indigenous development of a submarine-launched ballistic missile and associated launch platform as early as 2012.

42. In October 2013, satellite imagery showed a test complex to the south-west of the submarine basin. The complex features a test stand and a probable impact area about 9 m from it, likely to conduct land-based submarine-launched ballistic missile ejection tests. According to a Member State, such a test was conducted in October 2014 (see annex 14). Imagery from July 2014 to October 2015 shows work on construction halls, adjacent workshops and a new launch platform extension to the 195 x 33 m main fabrication hall (see annex 15).

43. Similarly, satellite imagery from July 2014 revealed an unidentified submarine at the shipyard. Subsequent images show various stages of internal work in the

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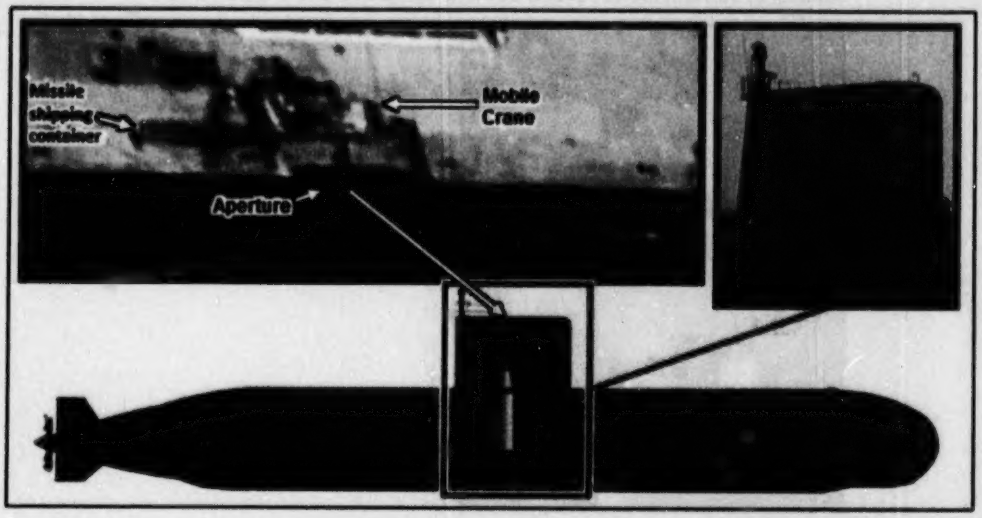
[27] See "North Korea: update on activity at Sohae satellite launching station", 38 North, 9 October 2015, available from http://38north.org/2015/10/sohae100915/.

submarine's sail, a submersible test barge and a small tow vessel.[28] According to a Member State, the country acquired decommissioned Golf class submarines and, by disassembling the submarines, ejection-related technology. The submarine appears to be a native design, with no direct comparison to the Golf or other types.[29] The presence of what is probably a 10 m missile shipping container in imagery of 10 May 2015 adjacent to the 65 m submarine and a single aperture[30] in the sail point to it being designed for a submarine-launched ballistic missile launch capability (see fig. 10).[31]

Figure 10
Aperture for a single submarine-launched ballistic missile launch tube[32]



Source: DigitalGlobe, 10 May 2015 (left); KCNA, 5 June 2015 (right); H. I. Sutton, 9 May 2015 (bottom).

44. The country is actively upgrading and concealing its submarine production facilities at Sinpo, allowing it to build more submarines, possibly undetected, including submarines capable of launching ballistic missiles. Member States should be vigilant to the export of commercial items that could contribute to the country's

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[28] The Operational Satellite Applications Programme confirmed that the submarine in official images of the test of 8 May was likely to be that seen in satellite imagery (fig.10) and confirmed the small vessel berthed next to the submarine in satellite images of 10 May 2015.

[29] The construction of this submarine is within its capability as a result of the country's experience in building submarines.

[30] The diameter of the aperture is approximately 1.5 m. The length and the diameter of the container are consistent with the dimensions of the missile tested on 8 May 2015. According to a Member State, there is only one launch tube inside the submarine.

[31] According to Kim Jong Un, "when the submarine-launched ballistic missile goes into production, and is stationed soon, it will be like installing a time bomb on the regime's enemies". See Choi You-sun, "North Korea test-fires 3 ship-to-ship missiles into East Sea", Arirang News, 9 May 2015, available from www.arirang.co.kr/News/News_View.asp?nseq=179369.

[32] The submarine and ballistic missile-related activity have been confirmed by the Operational Satellite Applications Programme (see the satellite image in fig. 10).

submarine-based ballistic missile programme, including subsystems and components, in particular electric motors, lead-acid batteries and associated charging systems and sonar technology, in accordance with paragraph 22 of resolution 2094 (2013) (see recommendation 10).

3. Ballistic missile programme-related entities and individuals

45. The Panel has identified two trends relating to the space launch programme of the Democratic People's Republic of Korea. First, the country has been using its participation in international organizations to promote the legitimacy of its space launch capabilities, to gain access to the international scientific community and to train its researchers for the further development of its prohibited programmes. Second, the National Aerospace Development Administration continues to play a prominent role in the country's space programme, including through its responsibility for a new satellite control centre.

Centre for Space Science and Technology Education in Asia and the Pacific

46. The Centre for Space Science and Technology Education in Asia and the Pacific (see annex 16) offers nine-month postgraduate diploma courses in five disciplines of space science and technology, comprising remote sensing and geographic information systems, satellite communications, satellite meteorology and global climate, space and atmospheric science, and global navigation satellite systems. It informed the Panel that the Consolidated United Nations Security Council Sanctions List was diligently taken into account in the selection and admission process.

47. After joining the Centre in 1996, the country sent more than 30 of its nationals for training there, including Paek Chang-Ho, who was designated for his role in the launch on 12 December 2012 of the Unha-3 rocket. He is currently reported to be the Vice-Director of the Scientific Research and Development Department of the National Aerospace Development Administration. He attended the Centre's satellite communications course in 1999-2000 (see annex 17). Two of the country's nationals are currently attending courses at the Centre, one of whom is affiliated with the National Aerospace Development Administration (see annex 18). The Panel takes note that the Centre cancelled the participation of a further four nationals selected to attend courses beginning in August 2015, including one affiliated with the National Aerospace Development Administration who was supposed to attend the global navigation satellite systems course (see annex 19).[33] The repeated applications to and participation in the programme by members of the National Aerospace Development Administration show the relevance of the courses to its work.

48. The Panel analysed the syllabi of courses provided by the Centre. The space and atmospheric science course contains a module on space instrumentation, with submodules that could be directly relevant to the country in designing and testing a launch vehicle using ballistic missile technology, such as those on launch vehicles, attitude control, and telemetry, tracking, command and data handling systems (see

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[33] The Panel notes that the nationals of the Democratic People's Republic of Korea attending the courses at the time of writing held the title of researcher or senior researcher (see confidential annex 20).

annex 21).[34] The course on global navigation satellite systems contains two modules, on receivers and integrated navigation (see annex 22), both of which could be directly relevant to the country's ballistic missile programme, especially given that it is working on improving the precision guidance of ballistic missiles through the use of global navigation satellite systems (both Global Positioning System and Global Navigation Satellite System).[35] The course on satellite communications contains a module on modulation, multiplexing and multiple access (see annex 23), which could contribute to enhancing telemetry capabilities for the ballistic missile programme.

49. The position of India on the content of two of the courses, as outlined in an aide-memoire to the Office for Outer Space Affairs, which chairs the Advisory Committee of the Centre,[36] is: "The topics covered in these sources are very general and basic principles in the respective areas and the course materials offered to the participants are available from open-source."[37] It further stated that "the depth of such topics covered in short terms [sic], would certainly not contribute to acquire expertise in those specific areas by the participants". The Office informed the Panel that it stood ready to report on the matter to the Committee on the Peaceful Uses of Outer Space, the fifty-ninth session of which is to be held from 8 to 17 June 2016.

50. While the courses offered by the Centre are not deliberately designed to assist ballistic missile development, the Panel's assessment, on the basis of the information available, is that certain modules or submodules constitute specialized training that could be used by the Democratic People's Republic of Korea in its prohibited activities and that participation in the space and atmospheric science and global navigation satellite systems courses is a ballistic missile-related activity prohibited under the resolutions.

51. The Panel recalls that, under the resolutions, the Democratic People's Republic of Korea must suspend all ballistic missile-related activities (see recommendation 2).

National Aerospace Development Administration

52. The Democratic People's Republic of Korea stated its intention on multiple occasions in 2015 to proceed with additional launches of satellites under the supervision of the National Aerospace Development Administration.[38] The Director of the Administration stated that "the world will clearly see a series of satellites of Songun Korea soaring into the sky at the times and locations determined by the WPK Central Committee".[39] Such launches are prohibited under resolution 2087 (2013).

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[34] Document S/2014/253 provides a list of certain prohibited items relating to these topics, such as gyro-astro compasses (also known as star sensors) (item 9.A.2).

[35] Communication of the United States of 15 June 2015 to the Panel.

[36] The Advisory Committee guides the technical aspects, including curricula.

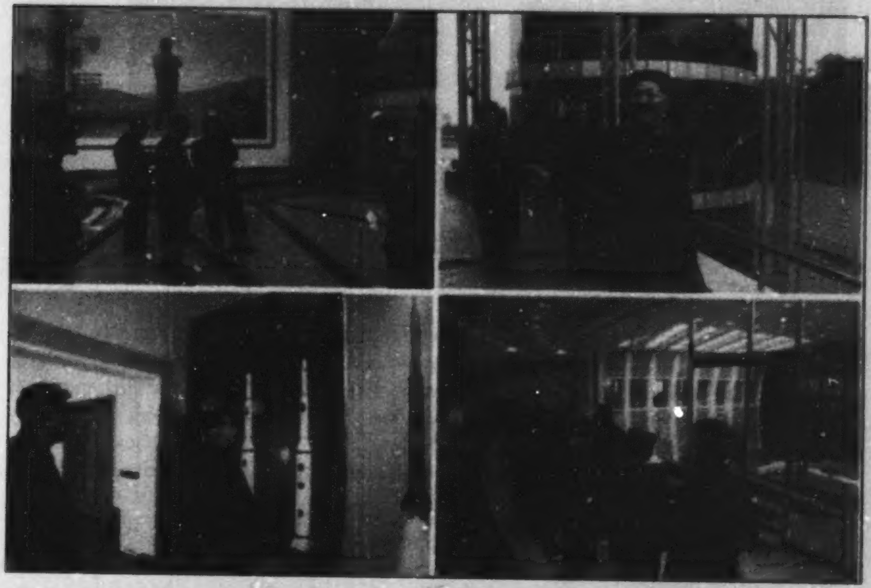
[37] The statement refers to courses in space and atmospheric science and in global navigation satellite systems. The Panel notes that specialized teaching can include general and basic principles and material from open sources.

[38] See "National Aerospace Development Administration clarifies its principled stand", KCNA, 8 May 2015, available from www.kcna.kp (accessed on 8 May 2015).

[39] See "NADA Director on successes in outer space development", KCNA, 14 September 2015, available from www.kcna.kp (accessed on 14 September 2015).

53. Consistent with its stated intention, in 2015 the country unveiled a new satellite control centre located in the centre of Pyongyang, next to a residential complex for high-ranking officials (see annex 24). During his visit to the centre in May (see fig. 11), Kim Jong Un "stressed the need to provide more cutting-edge facilities".[40]

Figure 11
Visit by Kim Jong Un to new satellite control centre



Source: *Rodong Sinmun.*

54. Official announcements clearly state that the new centre is under the authority of the National Aerospace Development Administration, as shown from the photographs released by official media (see fig. 12).[40] This evidence shows that the Administration has taken over a key facility that was previously operated by the Korean Committee for Space Technology and supports the Panel's conclusion in its final report for 2015 (see S/2015/131, paras. 44-48).

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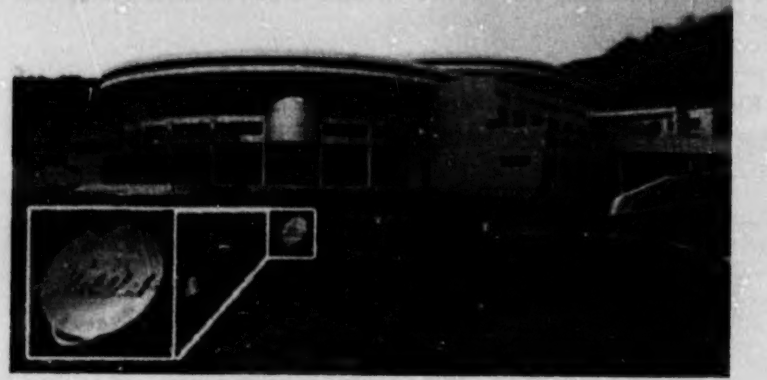
[40] See "Kim Jong-Un visits newly-built general satellite control centre", KCNA, 3 May 2015, available from www.kcna.kp (accessed on 3 May 2015).

Figure 12
Satellite control centre and National Aerospace Development Administration logo

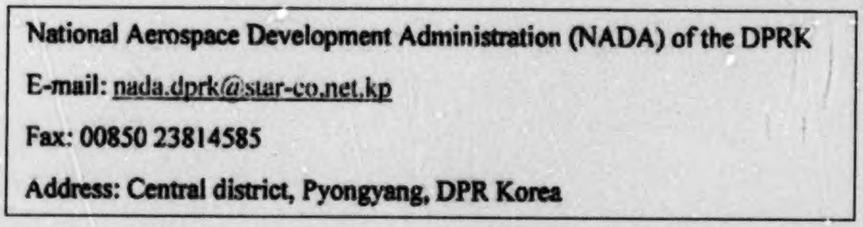


Source: Korean Central Television.

55. The National Aerospace Development Administration is concurrently seeking international legitimacy by establishing relationships with other space-related international bodies: the Office for Outer Space Affairs and the International Astronautical Federation. This is consistent with the ongoing claim by the country that its space programme is in line with the Treaty on Principles Governing the Activities of States in the Exploration and Use of Outer Space, including the Moon and Other Celestial Bodies.

56. The National Aerospace Development Administration has also been established as the national point of contact for the registration of space objects (see fig. 13 and annex 25). This was conveyed on 26 February 2015, when the Democratic People's Republic of Korea notified the Secretary-General, through the Office for Outer Space Affairs, in accordance with article II (1) of the Convention on Registration of Objects Launched into Outer Space, of the establishment of a national registry of objects launched into Earth orbit or beyond (see annex 26).

Figure 13
Extract of a note verbale dated 26 February 2015 from the Permanent Mission of the Democratic People's Republic of Korea to the United Nations (Vienna)



National Aerospace Development Administration (NADA) of the DPRK

E-mail: nada.dprk@star-co.net.kp

Fax: 00850 23814585

Address: Central district, Pyongyang, DPR Korea

57. On 15 October 2015, the National Aerospace Development Administration was reportedly admitted as a member of the International Astronautical Federation.[41] The Federation informed the Panel that, on 16 October, its General Assembly had revoked its earlier resolution of 12 October to approve membership, on the basis of information provided by the Panel. The delegation of the Democratic People's Republic of Korea to the United Nations Educational, Scientific and Cultural Organization in Paris acted on behalf of the Administration to apply for membership.

58. The by-laws of the National Aerospace Development Administration stipulate that the Administration "guides the production, assembly and launch of all space equipment and their launch vehicles". They also detail its internal organization and its affiliated organs (see annex 27). In addition, the Panel has obtained information about the Administration's key officials (see table 2) and budget (€102.5 million). Its conclusions are provided in confidential annex 109.

Table 2

Key individuals identified by the Panel within the National Aerospace Development Administration

Name (transliteration)	*Korean name*	*Title*
Mr. Yu Ch'o'l-u	유철우	Director
Mr. Kim In Cheol	김인철	Deputy Director
Mr. Hyon Gwang Il	현광일	Director, Scientific Research and Development Department
Mr. Paek Chang-Ho	백창호	Vice-Director, Scientific Research and Development Department
Mr. Kim Cho'n-ho	김천호	Director, Scientific Work Department
Mr. Jong Tong Gil	정동길	Deputy Department Director
Mr. Kim Gun Song	김군송	Director, General Satellite Control and Command Centre
Mr. Yun Chang Hyok	윤창혁	Vice-Director, General Satellite Control and Command Centre
Mr. Pae Cho'n-haek	[배천핵(혁)	Representative for International Affairs
Mr. Pak Gyong Su	박(백)경수	Vice-Administrator for International Affairs

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[41] See "DPRK NADA joins International Astronautical Federation", KCNA, 15 October 2015, available from www.kcna.kp (accessed on 15 October 2015). The country also participated in the United Nations/International Astronautical Federation Workshop on Space Technology for Economic Development, held in Beijing from 20 to 22 September 2013 (see A/AC.105/1048).

VI. Export-related and import-related measures

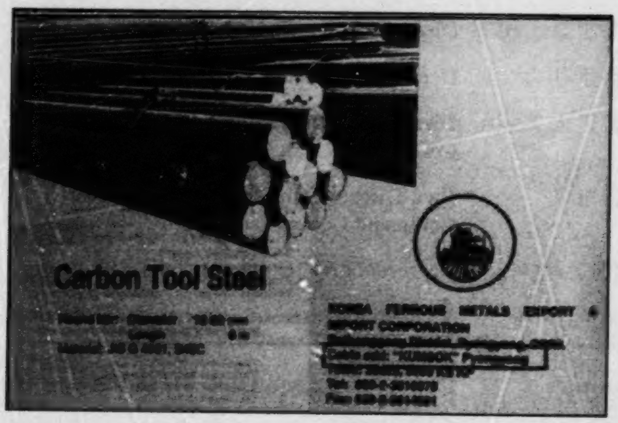
59. The Democratic People's Republic of Korea remains actively engaged in the trade of arms and related materiel, including by procuring, transferring or brokering commercially available products for military purposes, as well as technical assistance, to countries in South-East Asia, Africa and the Middle East. The country accords priority to procuring sophisticated equipment, such as unmanned aerial vehicle components and radar systems. It has exploited differing export control systems in this regard. The Panel's continuing investigations are summarized in annex 1.

A. Implementation of the embargo on nuclear weapons, other weapons of mass destruction and ballistic missile-related items

Aluminium alloy rods seized by Japan

60. The Panel continued its investigation of the shipment in August 2012 of five aluminium alloy rods seized by Japan as nuclear-related items (see S/2015/131, paras. 54-57). Previously, the Panel noted that an entity of the Democratic People's Republic of Korea using the label "KUMSOK" was likely to have manufactured the items. "KUMSOK" was used by Korea Ferrous Metals Export & Import Corporation (KFMEIC) (formerly known as Korea Metals Trading Corporation; also known as Korea Ferrous Metals General Trading Corporation) as its cable code (see fig. 14). KFMEIC also advertises itself as being engaged in the trade of various types of ferrous metals. Its logo is very similar to that on the seized cargo (see annex 28).

Figure 14
KFMEIC advertisement


Carbon Tool Steel
KOREA FERROUS METALS EXPORT & IMPORT CORPORATION
Cable add: "KUMSOK" Pyongyang

Source: *Foreign Trade of the DPRK*, January 1996.

61. The shipment's consignee was a Myanmar-based entity, Soe Min Htike Company, Ltd (see S/2015/131, para. 56). The Panel requested the assistance of Myanmar in obtaining information about Myanmar-based entities and individuals previously designated by the United States Department of the Treasury for their

involvement in arms trading with the Democratic People's Republic of Korea, including Soe Min Htike. In response, Myanmar denied such involvement and failed to respond to the Panel's inquiries concerning Soe Min Htike's involvement, including with regard to a shipping document listing the company as the consignee. The Panel concludes that Soe Min Htike was involved in the attempted transfer as the consignee of prohibited nuclear-related items.

B. Implementation of the arms embargo

1. Arms-related shipment destined for the Syrian Arab Republic

62. In December 2015, a Member State reported to the Committee its decision to dispose of a shipment of cargo from September 2010 following its inspections and seizure in May 2014 in accordance with the resolutions. The vessel was travelling from Dalian, China, to Ladhiqiyah (Latakia), Syrian Arab Republic.

63. The Panel's investigation and on-site inspection confirmed that the cargo was owned and controlled by entities and individuals working for Leader (Hong Kong) International and Korea Kumryong Trading Corporation, both designated in January 2013 for their connections to Korea Mining Development Trading Corporation (KOMID), designated in April 2009 as a main exporter of goods and equipment relating to ballistic missiles and conventional weapons. KOMID used the alias of Kumryong for procurement activities, while Leader facilitated shipments on behalf of KOMID. The shipping documents showed that the cargo was arranged by Leader on behalf of Kumryong (see annex 29). The consignment contained various commercially available items, including some that could be used for military purposes.

64. Shipping documents list the consignee as Mechanical Systems, Syrian Arab Republic, which has the same telephone/fax number as Handasieh General Organization Engineering Industries,[42] a military-related entity responsible for a shipment of ballistic missile-related items in October 2007 (see annex 29).[43] Handasieh has been sanctioned by the European Union as a front company for the Syrian Scientific Studies and Research Centre. The United States of America previously reported on an attempt by Handasieh in 2010 to acquire dual-use items for the Centre's ballistic missile project.[44]

65. The cargo consisted of five containers with commercially available items, including machinery, components and measuring devices (see fig. 15 and annex 30). Similar products have been advertised for military applications (see annex 31). Certain items may be used in the production of arms or as a principal component of

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[42] Handasieh was designated by the European Union as a front company for the Syrian Scientific Studies and Research Centre, which has been acting on behalf of the military (see Council Implementing Regulation No. 1244/2011).

[43] See S/2012/422, para. 57, and the Panel's report submitted to the Committee on 30 November 2012.

[44] United States Department of the Treasury, Office of Public Affairs, "Fact sheet: increasing sanctions against Syria", press release, 18 July 2012, available from www.treasury.gov/press-center/press-releases/Documents/Fact%20Sheet.pdf. According to a Member State, the Syrian Scientific Studies and Research Centre contacted the Second Economic Committee of the Democratic People's Republic of Korea regarding the provision of various items, including roller bearings, which originated from an Eastern European country. Such items can be used in missile turbopumps.

liquid propellant for Scud missiles.[45] The Panel continues to investigate the nature of the items.

Figure 15

Items seized by a Member State

66. Leader/Kumryong used two companies, Dalian Union International Trading Co., Ltd. and Dandong Yongxinghe Trade Co., Ltd. (see annex 32) to procure the items. Dandong Yongxinghe was the shipper (see annex 29). The items were mostly sourced from Taiwan Province of China, Hong Kong, China, and other cities in China, with some coming from Denmark, Japan and the United States (see annex 33). The procurement was principally undertaken by the owner of Dalian Union, Mr. Cai Guang, who has also served as the Director of Leader (see S/2015/131, para. 185). Dalian Union made payment through a bank account held by a company registered in Hong Kong, Sunny (Hong Kong) Int'l Development Co., Limited (see annex 34).[46]

67. Leader, Dalian Union, Dandong Yongxinghe and Sunny are all connected through the same individuals who also own and/or control other companies (see fig. 34 and annex 35).

68. None of the foreign suppliers were aware that the items were to be re-exported to the Syrian Arab Republic. The Japanese supplier inquired about the end user, but Dandong Yongxinghe refused to respond. The individuals and companies connected to Leader/Kumryong have not replied to the Panel.

69. These companies had direct links to individuals or entities that transferred arms and related materiel or ballistic missile-related items. They adopted concealment techniques such as the use of foreign intermediaries, front company networks and incomplete documentation.

70. The Panel confirms that the Member State that seized the cargo acted in accordance with its obligations under the resolutions, which prohibit the transfer of all arms and related materiel brokered by the Democratic People's Republic of Korea, as well as under paragraph 18 of resolution 1874 (2009) by which the Security Council called upon Member States to prevent the transfer of any assets that could contribute to the country's ballistic missile-related activities.

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[45] Inhibited Red Fuming Nitric Acid is listed as item number 4.C.4 in document S/2014/253. Hydrogen refiners can be used for the process that leads to the production of a precursor of nitric acid, a principal component of the prohibited item of Inhibited Red Fuming Nitric Acid, which is a liquid propellant used for Scud missiles.

[46] Sunny was dissolved in July 2013.

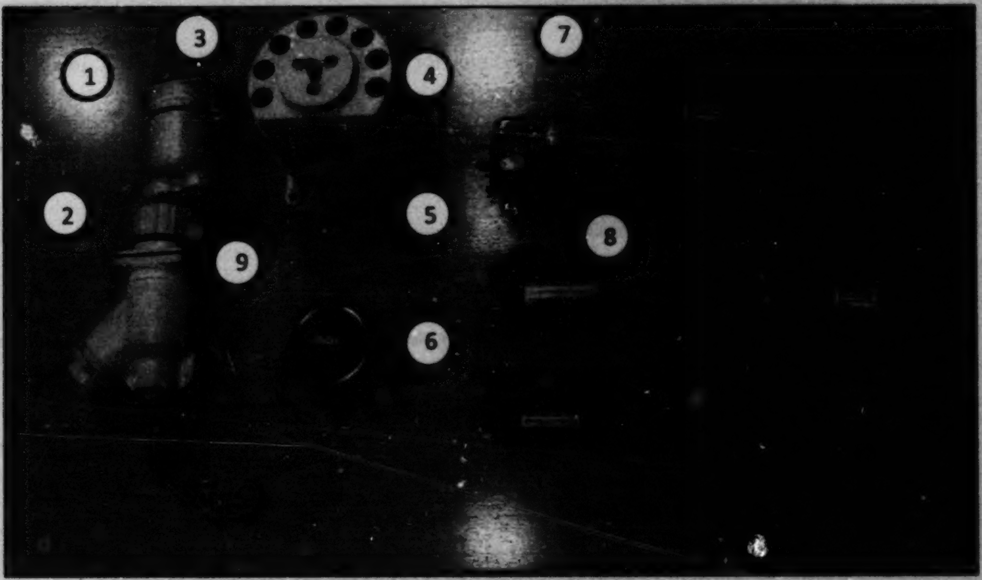
2. Shipment of Scud spare parts to Egypt

71. In 2013, a Member State reported to the Committee the interdiction of a consignment on its way from Beijing to Cairo. Documentation listed the shipper as a company from the Democratic People's Republic of Korea, Ryongsong Trading Co Ltd, and the consignee as an Egyptian company, MODA Authority International Optronic. The shipment was part of a contract of 15 February 2013 between the consignee and another company, Rungrado Trading Corporation (see confidential annex 36). This company was previously involved in violating the luxury goods ban implemented by Japan (see S/2012/422, paras. 78-79).

72. The Panel conducted an on-site inspection of the consignment, undertook research and consulted several experts to investigate potential uses of the items. The Panel examined a Scud-B missile system for physical comparisons between the technical specifications of the items (see fig. 16).

73. The goods were labelled as "machine spare parts", including relays, "coils", connectors and voltage circuit breakers (see confidential annexes 37 and 38) and listed as being intended for use in "freezing carriers", "fish factory mother ships", "fish-processing machines" and "old ships" (see confidential annex 39).[47]

Figure 16
Examples of items in cargo



1-3, connectors; 4-6, relays; 7-8, voltage circuit breakers; 9, barometric switch.

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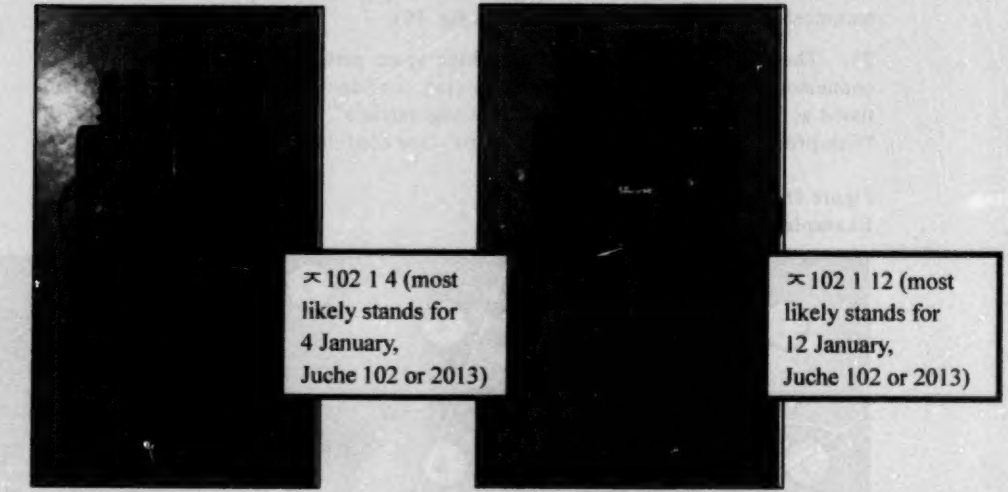
[47] These applications appear inconsistent with the consignee's lines of business (it is reportedly involved in the development, production and sale of advanced electro-optical and electronic systems for military and commercial applications). Egypt stated that "no reference to a company under the name of MODA Authority International Optronic Company was found" in its companies database (see annex 110).

74. While none of the items met the specific criteria in the list of prohibited items (see S/2014/253), the Panel found that they were spare parts for or items used in Scud-B missile systems (see confidential annex 40). As arms and related materiel, their export is prohibited under the resolutions.

75. The Panel concluded, from markings in Korean on two of the items in the cargo (see fig. 17) and inspection certificate stamps (see confidential annex 41), that the items had been produced in the Democratic People's Republic of Korea. In addition, the name of the individual listed as responsible for the packing list is Korean (see confidential annex 42).

Figure 17
Korean markings and stamps identified by the Panel



ㅈ102 1 4 (most likely stands for 4 January, Juche 102 or 2013)

ㅈ102 1 12 (most likely stands for 12 January, Juche 102 or 2013)

76. The goods were transported by Air Koryo from Pyongyang (see confidential annex 43). The airport security stamp on the airline label also reflected that the inspection had been undertaken in Pyongyang.

77. The packing list cited the manufacturer of the items as "Machine Electric Factory" (see confidential annex 42). The Panel found that the address of Ryongsong was the same as that of the Embassy of the Democratic People's Republic of Korea in Beijing (see confidential annex 44). Rungrado claims to "export marine products and sea foods" and to engage in "businesses such as cargo transportation and chartering with its own vessels" (see annex 45).

3. Unmanned aerial vehicle wreckage retrieved from the Republic of Korea

78. With regard to the wreckage of unmanned aerial vehicles, the Panel undertook an on-site inspection and investigation (see fig. 18 and table 3) through which it identified two Chinese companies advertising almost identical vehicles (see

S/2015/131, paras. 61-68).[48] Preliminary analysis of the supply chain for the inner components indicates that at least one of the drones was acquired abroad. According to a Member State, the vehicles were likely procured through front companies in China.

Figure 18

Images of the unmanned aerial vehicles taken by the Panel during inspection

Baengnyong-do Island

Paju and Samcheok

Table 3

Main characteristics of the two types of drone

Characteristics	*Paju and Samcheok*	*Baengnyong-do Island*
Width x length (m)	1.93 x 1.22	2.46 x 1.83
Weight when discovered (kg)	13	12.7
Engine	2-cycle	4-cycle
Fuel and fuel capacity (l)	Glow fuel - 4.97	Combined oil fuel - 3.4
Take-off and landing	Launcher/parachute	Launcher/parachute
Parachute	Cross-shaped	Octagon-shaped
Flight command	Yes	Yes
Close distance remote control	No	Yes
Flight path automatic flight	Yes	Yes
Estimated range (km)	180-220	250-300

79. According to a Member State, the Democratic People's Republic of Korea possesses around 300 unmanned aerial vehicles of different types, including

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[48] In the light of their ranges below 300 km, the transfer of these drones to the country is not prohibited under the weapons of mass destruction embargo imposed under paragraph 8 (a) (ii) of resolution 1718 (2006).

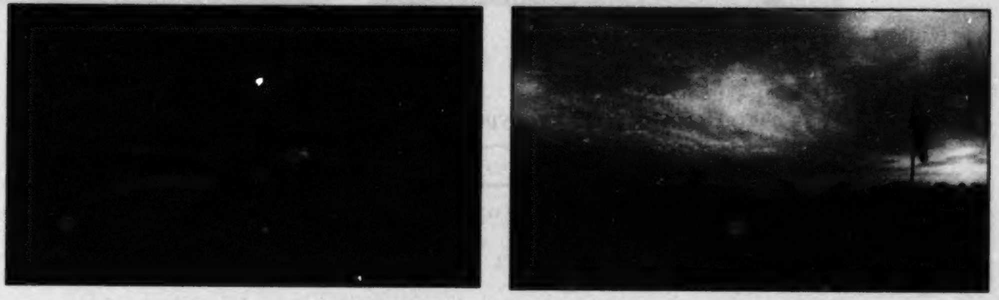
reconnaissance, target and combat drones. The country's primary entity responsible for gathering intelligence, the Reconnaissance General Bureau, is involved in the procurement, production and operation of reconnaissance drones and is also seeking to develop capabilities in the area of combat drones. It is therefore likely that the drones, which captured images of key military facilities and the Blue House, were procured and operated by the Bureau (see annex 46 and recommendations 5 and 8).

Baengnyong-do Island unmanned aerial vehicle

Manufacturer

80. Morrowind Aerial Imaging Technology, headquartered in Shanghai, China, advertised on its website an unmanned aerial vehicle, the UV10 (see annex 47 and fig. 19), which the Operational Satellite Applications Programme of the United Nations Institute for Training and Research determined had distinct technical similarities with the drone that crashed on Baengnyong-do Island on 31 March 2014 (see confidential annex 48). Morrowind has not replied to the Panel's inquiries.

Figure 19
UV10 unmanned aerial vehicle advertised by Morrowind



Source: www.5ihangpai.com.

Supply chain of components

81. While some of the Panel's inquiries are outstanding, it has identified the purchasers of the engine and the autopilot (see table 4).

Table 4
Main foreign-sourced items found inside the Baengnyong-do Island unmanned aerial vehicle

No.	*Item*		*Country of manufacture*	*Supply chain*
1	Engine		Czech Republic	Sold to Maikaifei Engineering & Technology on 25 September 2013
2-1	Flight control computer	Automatic control board	Canada	Sold to RedChina Geosystems on 11 July 2011
2-2		I/O board	Switzerland	Sold to intermediary in Taipei on 4 June 2013

No.	*Item*		*Country of manufacture*	*Supply chain*
2-3		RC receiver	Japan	No serial number
3	Servomotor and actuator		Republic of Korea or China	Likely manufactured on 28 August 2013 and on 11 September 2013
4	GPS antennas		United States	Manufactured on 8 June 2007
5-1	Mission computer	CPU board	China	Manufacturer yet to reply
5-2		I/O board	Switzerland	Sold to intermediary in Taipei on 4 June 2013
6	Camera		Japan	Sold to distributor in China on 18 October 2013
7	Battery		China	Manufacturer yet to reply

82. The engine was ultimately acquired by a Beijing-based company, Microfly Engineering & Technology, through a transaction process marked by several irregularities.[49] It had initially been purchased by another company, Maikaifei Engineering & Technology (Hong Kong) Co. Ltd, which is not legally registered in Hong Kong (see annexes 50 and 51). Microfly and Maikaifei are connected through Mr. E. Chengwen, who facilitated the purchase as the "chief engineer" of Maikaifei (see annex 52), while also being listed as a board member of Microfly (see annex 53). Microfly and Maikaifei share the same Chinese spelling: 迈凯飞. Following his facilitation of the purchase order, the engine was delivered to a third Beijing-based consignee with which Microfly has an import agency authorization agreement (see annex 54).[50] Although the agreement stipulated that the payment should be made by that consignee, it actually came from the personal bank account of Mr. Xue Qiang (see annex 55), the legal representative of Microfly (see annex 53).

83. The autopilot was acquired by RedChina Geosystems in July 2011 as part of a purchase of 10 autopilots (see annex 56), also brokered by Mr. E. Chengwen using an alias, Mr. Chengwen Able (see annex 52).[51] The end-use statement provided by RedChina Geosystems was falsified, stating that the autopilots would "be used only by the end-user" and "not be diverted to another destination, transhipped or re-exported" (see annex 57).[52] It also stipulated that the items would be used in electrical-powered hand-launched unmanned aerial vehicles designed for mapping activities, listing characteristics entirely different from those of the UV10 (see fig. 20).

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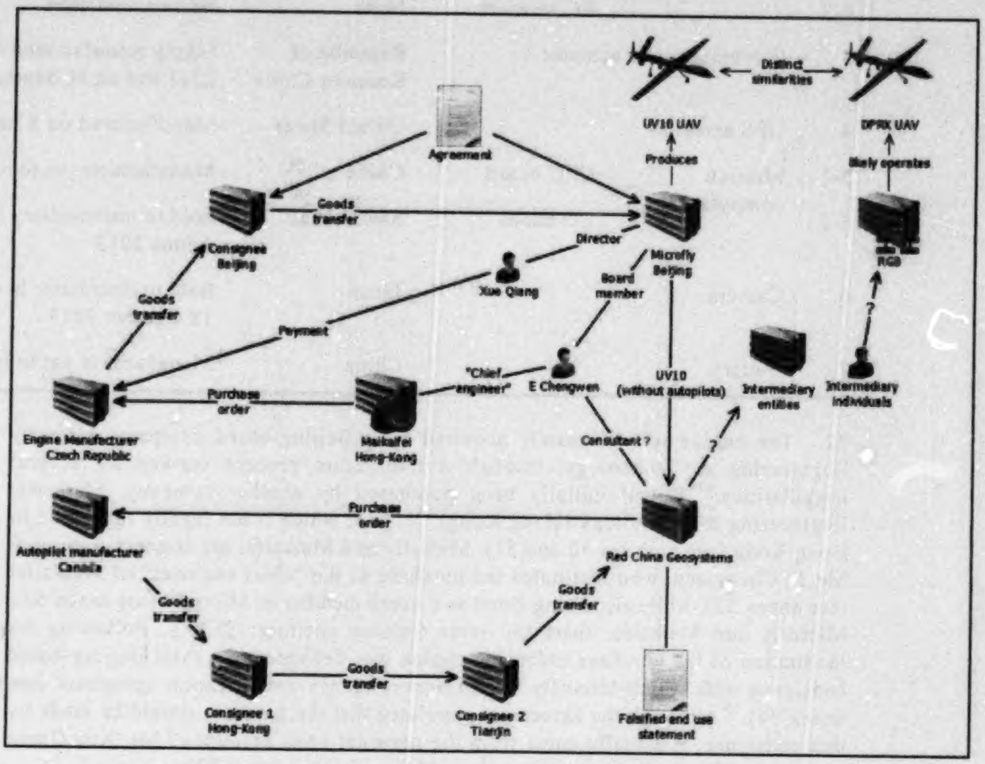
[49] The Microfly website advertises unmanned aerial vehicles and presents the company as committed to the design, development, testing and manufacture of aviation-related products (see annex 49).

[50] The agreement refers to a contract (2013HXI/110SP/C) between the consignee and the engine manufacturer, which the latter has stated did not exist. The engine manufacturer informed the Panel that it had never received payment from the consignee, suggesting that the consignee may have been used for a single shipment. This hypothesis explains why the agreement was signed several days following payment for engines and before shipment.

[51] Autopilots were first sent to a consignee in Hong Kong and then to another consignee in Tianjin, China, before being sent to RedChina Geosystems.

[52] The autopilot is subject to Canadian export controls (see S/2015/131, para. 66).

Figure 20
Supply chain of the engine and the autopilot of the Baengnyong-do Island unmanned aerial vehicle


Distinct similarities
UV10 UAV
DPRK UAV
Produces
likely operates
Agreement
Goods transfer
Consignee Beijing
Director
Microfly Beijing
RGB
Xue Qiang
Board member
Goods transfer
Payment
?
"Chief engineer"
E Chengwen
UV10 (without autopilots)
Intermediary entities
Intermediary individuals
Purchase order
Engine Manufacturer Czech Republic
Maikalfei Hong-Kong
Consultant ?
?
Purchase order
Autopilot manufacturer Canada
Red China Geosystems
Goods transfer
Goods transfer
Goods transfer
Consignee 1 Hong-Kong
Consignee 2 Tianjin
Falsified end use statement

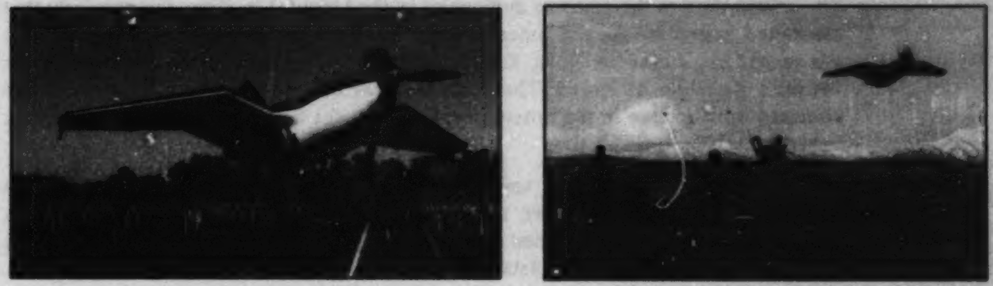
84. Microfly stated that it was the original designer and manufacturer of the UV10 and had halted the production of the model after the publication of negative stories of the existence of drones closely resembling the UV10 outside China. It also said that the model had been sold only to domestic customers in China and never to customers with a military background. Microfly denied any connection to Morrowind, suspecting that the latter had copied its drones. Microfly stated that the UV10 had been sold to RedChina Geosystems, but declined to name other buyers (see annex 58). Microfly further stated that RedChina Geosystems had specifically asked for the UV10 to be equipped with the autopilots that it had purchased in July 2011, suggesting that RedChina Geosystems might have acted knowingly.

Paju and Samcheok unmanned aerial vehicles

Manufacturer

85. China Trancomm Technologies, in Beijing, advertises on its website the SKY-09P and SKY-09H unmanned aerial vehicles (see fig. 21 and annex 59), which the Operational Satellite Applications Programme determined had distinct technical similarities with the drones that crashed over Paju and Samcheok (see confidential annex 60). It has not replied to the Panel's inquiries.

Figure 21
SKY-09P and SKY-09H unmanned aerial vehicles advertised by Trancomm



Source: www.trancomm.com.cn.

Supply chains of components

86. All items in the Paju and Samcheok unmanned aerial vehicles, including the gyros, are both widely available and not on the list of prohibited items. For certain items, the Panel has outstanding inquiries (see table 5).

Table 5
Main foreign-sourced components in Paju and Samcheok unmanned aerial vehicles

No.	*Item*	*Country of manufacture*	*Supply chain*
1	Engine and muffler	Japan	No serial number
2	Fuel pump	United States	No serial number
3	Flight control computer/CPU board	China	Manufacturer yet to reply
4	Gyro board	Japan	Improper serial number
5	GPS receiver	Switzerland	Likely shipped on 1 September 2011
6	Servomotor	Japan	Likely manufactured between April 2008 and March 2013
7	Transceiver	United States	Sold to Chinese intermediary on 31 August 2011
8	Camera	Japan	Sold to distributor on 19 September 2011
9	Parachute	China	Likely manufactured in October 2011, manufacturer yet to reply

4. Attempt to procure military-grade optical sensor from the United Kingdom of Great Britain and Northern Ireland

87. In February 2015, the United Kingdom informed the Panel about an attempt by the Democratic People's Republic of Korea to procure "sanctioned goods" from a

British manufacturer, stating that they included miniaturized optical equipment that could be used in unmanned aerial vehicles (see annex 61).

88. According to the customs authorities in the United Kingdom, the company that attempted to procure the equipment did so through intermediaries based in mainland China and registered in Hong Kong, before onward shipment to the Democratic People's Republic of Korea. The company was described as "a military logistics company specialising in the procurement of parts for unmanned aerial and undersea vehicles".

89. Correspondence records and the export licence application showed that the person who sought to procure the goods was Richard Wang (Dewen Wang in Chinese). Dewen Wang was listed as the Director of HK Conie Technology, originally registered in the British Virgin Islands before being registered in Hong Kong in 2014.

90. Mr. Wang used the name of a major Chinese company to falsify the export licence application and end-user statement. The Panel identified a trade relationship between HK Conie and Korean Pioneer Technology Company Ltd which reportedly used the alias Korea 21 Trading Company (see annexes 62-63).

91. The Panel concludes that this was an attempted procurement of military-grade goods for use in an unmanned aerial vehicle by individuals acting on behalf of the Democratic People's Republic of Korea and is continuing its investigation.

5. Attempted transfer of military-grade night-vision goggles from the United States

92. The Panel investigated a case involving a national of the Democratic People's Republic of Korea, Kim Song Il (born on 23 September 1973), who procured and attempted to transfer arms and related materiel. In July 2015, he was arrested in the United States after purchasing six military-grade night-vision goggles and attempting to export them to China in violation of United States laws.[53] He has pleaded guilty as charged. An individual with the same name and country of residence and utilizing Cambodian nationality has been registered in the company registry in Hong Kong as the Director of Greenpine International Co Ltd and Rich Lead Trading.

93. Given a previous case of abuse of foreign passports by nationals of the country (see S/2013/337, para. 132), the Panel emphasizes that Member States should exercise vigilance in processing similar passport applications.

6. Possible arms-related cooperation with Eritrea[54]

94. The Panel reported on its reopened investigation into alleged arms-related cooperation with Eritrea following a report in which the Monitoring Group on Somalia and Eritrea cited "military and technical support" provided to the Eritrean Department of Governmental Garages by Green Pine Associated Corporation, designated on 2 May 2012 (see S/2013/440, para. 92). The Panel corroborated military-related links between Green Pine and the Department. It obtained an official letter of invitation from the President of Green Pine, Mr. Ri Hak Chol, to the head of the Department, dated 19 March 2010, to visit Green Pine in Pyongyang,

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[53] United States District Court, District of Utah, *United States of America vs. Kim Song Il.*

[54] See S/2014/147, paras. 94-97, and S/2015/131, para. 89.

stating that he hoped that the one-week visit "would be of great importance in starting substantial co-operation between two sides".

95. The Panel has also identified a new alias for Green Pine, Green Pine Association (see annex 66). According to information supplied by a Member State, Mr. Kim Kwang Rim was posted as the representative of Green Pine in Eritrea in April 2011. In its reply to the Panel's requests for information (see annex 67), Eritrea stated that it was not engaging with persons and/or entities in violation of resolutions 1718 (2006) and 1874 (2009) and designations thereunder (see annex 68 and also recommendation 4 (b) to the Committee).

7. Military vehicles displayed at the military parade on 10 October 2015

96. The Panel investigated some of the vehicles that transported personnel, arms and ballistic missiles during the military parade on 10 October 2015.

Figure 22
Rocket transporters

Source: Oleg Kiriyanov.

97. The vehicles transporting 300 mm guided artillery rockets tested in 2014 and 2015 (rockets that ultimately achieved a range of 200 km, see table 1) were publicly displayed for the first time in October 2015 (see fig. 22).[55]

98. The three-axis vehicles were nearly identical to a series of trucks manufactured by a Chinese company. Furthermore, the Operational Satellite Applications Programme of the United Nations Institute for Training and Research assessed that the two trucks had many identical features. It also confirmed a partially visible emblem of the Chinese company (see annex 69).

99. In a reply to the Panel, China stated that the company had "put a clear clause that the buyer agrees and ensures that this batch of trucks exported to the DPRK

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[55] See "Kim Jong Un guides test-fire of newly developed ultra-precision tactical guided missiles", KCNA, 27 June 2014, available from www.kcna.kp (accessed on 27 June 2014), and "N. Korea's conservative display contrasts with past WPK celebration", NK News, 10 October 2015, available from www.nknews.org/2015/10/analysis-of-new-updated-equipment-in-october-10-parade/.

should only be used in civilian activities, and abides by the provisions of Chinese laws and the United Nations resolutions" and that, "in the sales contract between the Chinese dealer and the DPRK side, there is also agreement on the purposes of the exported truck that the buyer shall use the trucks solely for forest area operations and timber transportation".

100. The case resembles the previous procurement by an entity controlled by the Ministry of Forestry of foreign-sourced vehicles that were then converted into a transporter-erector-launcher for ballistic missiles (see S/2013/337, paras. 52-58). The Panel reaffirms its recommendation made in 2013 and again calls upon Member States to exercise enhanced vigilance over exports to the country of commercial trucks that could be converted into military vehicles or arms and related materiel (see recommendation 10 and S/2013/337, para. 58).

8. Munitions factory construction in Namibia

101. KOMID reportedly conducted business activities in Namibia until at least early 2015, including through the construction of a munitions factory at Leopard Valley, in the Windhoek area, in cooperation with, or using the alias of, Mansudae Overseas Project Group companies.[56]

102. Namibia informed the Panel that it had contracts with the Democratic People's Republic of Korea concerning arms and related materiel before 2005. One covered the construction of the Windhoek munitions factory from 2002 to 2005, involving a subsidiary of Mansudae. Namibia also confirmed that it had received training and technical assistance relating to arms, but stated that, given United Nations sanctions, the relevant experts had returned to the Democratic People's Republic of Korea.

103. Namibia confirmed that Mansudae was involved in several military construction projects, including the military academy and the ongoing construction of the headquarters of the Ministry of Defence. It denied knowledge of links between Mansudae and KOMID (see annex 70).

104. However, satellite imagery shows that construction at the military base at Leopard Valley was continuing in September 2014 (see annex 71). The Mansudae company brochure also advertised the 2010 contract with the Ministry of Defence for the construction of facilities at Leopard Valley (see annex 70).

105. The Panel confirmed that, as at August 2015, workers from the Democratic People's Republic of Korea were undertaking construction activities at another military base in Suider Hof (see fig. 23). At the time of writing, Namibia had not replied regarding the purpose of the facility under construction.

106. The construction of any munitions factory or related military facilities is considered to be services or assistance relating to the provision, manufacture or maintenance of arms and related materiel and therefore prohibited under the resolutions.

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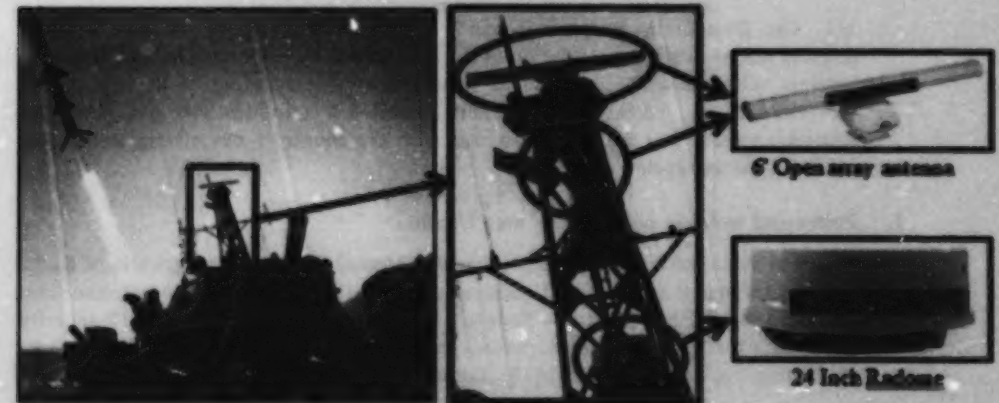
[56] See United States Department of the Treasury, "Issuance of new North-Korea-related Executive Order; North Korea Designation", press release, 2 January 2015, available from www.treasury.gov/resource-center/sanctions/OFAC-Enforcement/Pages/20150102.aspx; "Namibia, expatriate sanctioned Democratic People's Republic of Korea individuals", Radio Free Asia, 8 January 2015; and "Namibië skend VN-resolusies", *Republikein*, 8 January 2015, available from www.republikein.com.na/internasionaal/namibi-skend-vn-resolusies.236209.

Figure 23
Construction at Suider Hof military base

9. Repurposing of commercial radar systems from a Japanese manufacturer for use in naval vessels

107. The Democratic People's Republic of Korea acquired and adapted commercial radar antennas for its naval vessels, three of which were seen during the test-firing of an anti-ship missile publicized on 7 February 2015 (see fig. 24).[57] According to the Japanese manufacturer, there are no records of sale to the country after 12 June 2009. The Panel notes that subsystems such as displays, compasses and ballistic input sensors can be easily integrated through plug-in interfaces. The systems displayed aboard the missile boats are off-the-shelf products widely used in the global fishing and leisure craft markets and are untraceable without records of serial numbers. Given this violation of the arms embargo, the Panel recommends that Member States be vigilant with regard to exports of maritime electronics (radars, sonars, compasses and the like) (see recommendation 10 (c)).

Figure 24
Commercial radar antennas adapted for naval vessel



Source: *Rodong Sinmun*.

Source: Manufacturer.

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[57] See "Kim Jong-Un watches newly developed anti-ship rocket test-firing", *Rodong Sinmun*, 7 February 2015, available from http://www.rodong.rep.kp/en/index.php?strPageID=SF01_02_01&newsID=2015-02-07-0015.

10. Shipments of spare parts and equipment for submarines and military boats brokered by Green Pine from Austria to Angola and Viet Nam

108. The Panel investigated two incidents involving Green Pine (see S/2012/287): two deliveries in July 2011 of items for military patrol boats to Angola and an air shipment in February 2011 of submarine parts inspected in Taipei (see annex 1 and S/2015/131, paras. 81-83). The consignments were shipped from Vienna by an Austrian national, Josef Schwartz, through his company, Schwartz Motorbootservice & Handel GmbH. He had traded with the Democratic People's Republic of Korea on multiple occasions in the past, including violations and attempted violations of the luxury goods ban.[58] The Panel confirmed that he had assisted Green Pine in evading the arms embargo.

11. Arms or ammunition trade recorded in the United Nations Commodity Trade Statistics Database

109. Using the United Nations Commodity Trade Statistics Database, the Panel confirmed instances of non-compliance with the obligation to submit a prior notification for the export of small arms and light weapons covered by chapter 93 of the Harmonized Commodity Description and Coding System codes. Regardless of their application, these items constitute small arms and light weapons as long as they meet the definition of "small arms and light weapons" given in the International Small Arms Control Standards of the United Nations Coordinating Action on Small Arms mechanism of June 2015 (see annex 72).[59]

110. Member States are called upon to exercise vigilance over the export of small arms and light weapons to the Democratic People's Republic of Korea and are obliged to notify the Committee at least five days before selling, supplying or transferring such materiel, pursuant to paragraph 10 of resolution 1874 (2009).

C. Technical training, advice, services or assistance

111. The Democratic People's Republic of Korea continues to provide technical training and assistance in violation of the resolutions by exploiting its long-standing military relationships and countries' incomplete understanding of the resolutions (see S/2015/131, paras. 90-91). These prohibited activities are conducted for financial reasons but are also consistent with the country's overall diplomatic and international outreach.

1. Police and military cooperation with Uganda

112. The Panel investigated reports that the Democratic People's Republic of Korea was providing training for Ugandan police officers. Uganda confirmed that 45 nationals of the Democratic People's Republic of Korea, including 19 security instructors for the paramilitary police, had provided such training and that it was continuing as at December 2015. Uganda stated that its understanding of the

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[58] They consisted of, in 2007-2008, the export of luxury vehicles from Austria and, in 2009, the attempted export of luxury yachts from Italy. See S/2012/422, paras. 84-85, and also European Commission Implementing Regulation No. 1355/2011.

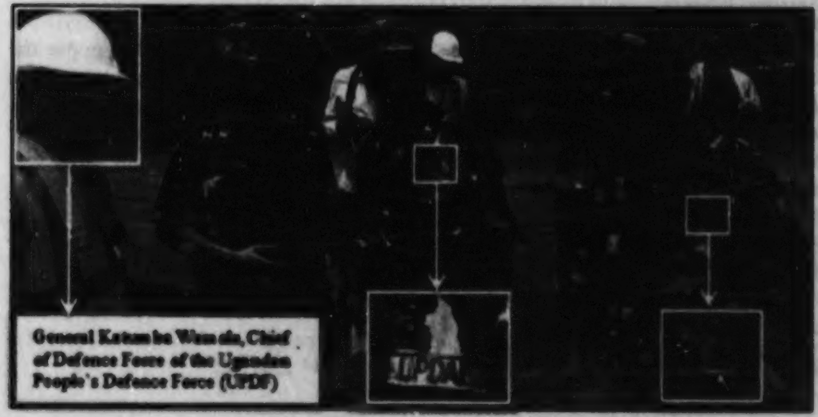
[59] Available from www.smallarmsstandards.org/isacs/0120-en.pdf.

resolutions, coupled with the nature of the joint training, meant that there had been no violation (see annex 73).

113. In 2015, the Panel requested information from Uganda on media reports that an additional 400 police officers had been trained by instructors from the Democratic People's Republic of Korea at the Oliver Tambo Leadership Institute and the Uganda Junior Command and Staff College since 18 April 2015. The Panel also noted that, according to the Facebook page of the Ugandan police, the President of Uganda had "commended the team from North Korea that put hands together with the police force trainers during the training period".

114. The training violated paragraph 9 of resolution 1874 (2009). The Panel noted that the military advisers and trainers from the Democratic People's Republic of Korea were dressed in Ugandan air force uniforms and wearing badges bearing the images of the leaders (see fig. 25).

Figure 25
Military advisers and trainers at the Nakasongola air base in April 2014


General Katumba Wamala, Chief of Defence Force of the Ugandan People's Defence Force (UPDF)

2. Police training cooperation with Viet Nam

115. The People's Police Academy of Viet Nam reported in March 2013 that experts from the Democratic People's Republic of Korea had been providing military-related training courses to the Vietnamese police since 2012 as part of a bilateral cooperation programme between the public security ministries of the two countries (see fig. 26).[60] It was indicated that the experts had provided military training through live ammunition exercises using K50 revolvers and AK-47 derivative assault rifles.

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[60] See People Police Academy, "North Korean experts train Vietnamese police", 23 March 2013, available from http://ppa.edu.vn/en/Training/International-Cooperation/167/3241/North-Korean-experts-train-Vietnamese-police.aspx.

Figure 26
Images of Vietnamese police training by experts from the Democratic People's Republic of Korea

Source: Tuoi Tre News.

116. The Panel notes that technical training or assistance relating to the provision, maintenance or use of *all* arms and related materiel has been prohibited under the relevant resolutions, without condition. Some Member States, however, interpret the sanctions measures to apply *only to arms and related materiel procured from the Democratic People's Republic of Korea*. On this point, the Panel notes that the Security Council has already reaffirmed that the measures apply to all arms and related materiel (see annex 75). In addition, such conditional interpretation would allow the Democratic People's Republic of Korea to provide and receive technical training or assistance relating to the maintenance or use of nuclear-related or ballistic missile-related items sourced from other Member States, which contradicts the objectives of the sanction measures (see recommendations 3 and 9).

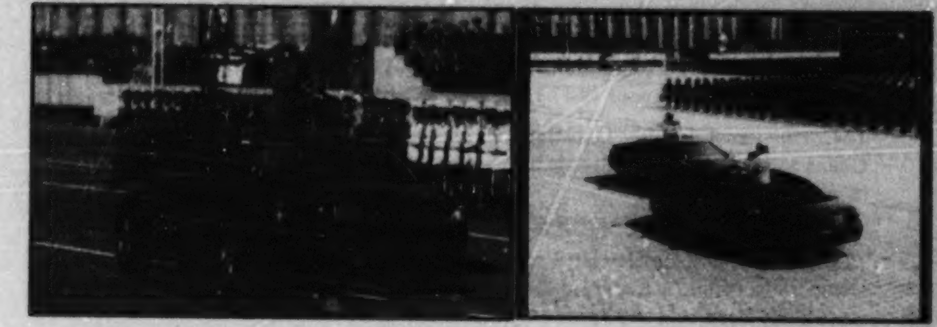
117. The Panel concludes that such training violated paragraph 9 of resolution 1874 (2009), as reaffirmed in paragraph 7 of resolution 2094 (2013).

D. Implementation of the luxury goods ban

1. Armoured limousines observed during military parades in Pyongyang from 2012 to 2015

118. The Panel previously reported on four Mercedes-Benz S-600 limousine conversions observed during military parades in Pyongyang on 15 April 2012, 15 April 2013, 15 April 2014 and October 2015 (see fig. 27). Transfers to Pyongyang of such vehicles could constitute a violation of paragraph 8 (a) (iii) of resolution 1718 (2006).

Figure 27
Mercedes-Benz S-600 limousine conversions observed during military parades in Pyongyang on 15 April 2012 (right) and 10 October 2015 (left)



Source: Oleg Kiriyanov (left) and KCNA (right).

119. The Panel traced the procurement of the luxury vehicles, which appeared again in a military parade in October 2015, from their origin in Europe through their armoured customization in the United States to an intermediary in China (see annex 76 and S/2015/131, paras. 97-98, and S/2012/422, para. 86).

120. The organizer and financier was a Chinese businessperson, Mr. Yunong Ma (also known as George Ma), whose company, Seajet International, also served as an overseas agent of Air Koryo (see S/2013/337, para. 97). Seajet was previously involved in an illegal air shipment of arms and related materiel from the Democratic People's Republic of Korea (see annexes 77-80).

121. Seajet instructed a United States company to name the consignee as Liaoning Danxing International Forwarding Co., a major Chinese logistics company that describes itself on its website as a Democratic People's Republic of Korea shipping agency,[61] which established the first container shipping line between Dalian and Nampo, Democratic People's Republic of Korea. Liaoning Danxing has not responded to the Panel's requests for information (see annexes 77-85). The Panel continues to investigate.

2. Other cases under the luxury goods ban

122. The Panel investigated potential violations of the luxury goods ban based on Member States' reporting of trade statistics in connection with resolution 2094 (2013). Cases of export of luxury goods to the Democratic People's Republic of Korea were identified from at least eight countries.[62] The Panel sent inquires and received corroborating information.

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[61] See "One work day of DPRK shipping agency", available from www.danxing.cn/En/ChaoXianChuanDaiGonGZuoZheDeYiGeGonGZuoRi-8.html.

[62] To determine the possible export of luxury goods, the Panel used Harmonized System commodity codes 71, "Natural or cultured pearls, precious or semiprecious stones, precious metals, metals clad with precious metal, and articles thereof; imitation jewelry; coin", and 87, "Vehicles other than railway or tramway rolling stock, and parts and accessories thereof".

Precious metals (gold)

123. The Panel investigated two reported gold shipments in 2013 from Israel to the Democratic People's Republic of Korea. Israel informed the Panel that the two exports amounted to 7 kg, worth $346,726. It also reported that on 9 December 2015 its parliament had approved an order for the control of illicit exports to the Democratic People's Republic of Korea, thereby applying the resolutions regarding the export of luxury goods and listing gold as a prohibited item.

124. The Panel is also investigating two gold bullion shipments in 2013 from Ghana to the Democratic People's Republic of Korea.

Jewelry, gems and precious and semi-precious stones

125. With regard to jewelry sold in Brazil to non-resident nationals of the Democratic People's Republic of Korea in 2013 and 2014, Brazil stated that it had most likely been sold in airport duty-free stores.

126. In 2014, India exported precious metals and stones worth $1,913,677 to the Democratic People's Republic of Korea, up from reported exports of $103,107 in 2013.[63] According to India, 98.6 per cent of the exports in 2014 were composed of copper anode slime, which is not considered luxury goods.

127. Thailand reported to the Panel that, between September 2013 and February 2014, its exports of silver jewellery and five vehicles totalled $10,984 and $262,908, respectively. Thailand promulgated a notification under its export and import legislation in which direct reference was made to the fulfilment of its obligations under resolutions 1718 (2006) and 2094 (2013).[64]

128. The Panel has been unable to corroborate information on reported exports of luxury goods by Denmark, Ethiopia and the Philippines in 2013 and 2014.

129. The investigations highlight that Member States have reported exports that in some cases have constituted violations of the luxury goods ban. The Panel notes that the items listed in paragraph 1 of annex IV to resolution 2094 (2013) correspond to Harmonized System codes beginning with 71. In this regard, Member States should exercise vigilance where exports of goods under that code are concerned.

VII. Interdiction: maritime fleet

130. The fleet of Democratic People's Republic of Korea-flagged vessels associated with Ocean Maritime Management Company, Limited (OMM) is declining as vessels are being scrapped (see table 6). The country sent at least two vessels to be sold as scrap. In the Panel's view, transactions relating to scrapping the vessels would also constitute evasion of the financial sanctions.

131. In addition to the 14 active OMM-associated vessels reported in 2015, the Panel has determined that the *Hoe Ryong* also operated as an OMM-associated

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[63] The largest commodity exported in 2013 was precious and semi-precious stones (other than diamonds) worth some $80,000. In 2014, exports from this category of items amounted to $20,000. In April 2013, exports of diamonds amounted to $7,276.

[64] The Thai luxury goods ban is included in a notification by the Ministry of Commerce, published in 2014.

vessel both before and after the designation of OMM. In total, 9 of the 15 vessels appear still to be in service and 14 have been reregistered.[65]

Table 6
Status of OMM vessels

Current name	*International Maritime Organization (IMO) number*	*Former name*	*Status*
Chol Ryong	8606173	*Ryong Gun Bong*	In service
Hu Chang	8330815	*O Un Chong Nyon Ho*	In service
Hui Chon	8405270	*Hwang Gum San 2*	In service
Kan Gye	8829593	*Pi Ryu Gang*	In service
O Rang	8829555	*Po Thong Gang*	In service
Song Jin	8133530	*Jang Ja San Chong Nyon Ho*	In service
Tan Chon	7640378	*Ryong Gang 2*	In service
Tong Hung San	7937317	*Chong Chon Gang*	In service
Hoe Ryong	9041552	*Wang Jae San 2*	In service (added to OMM fleet)
Mu Du Bong	8328197		Detained by Mexico in July 2014
Myong San 1	7632955	*Pho Thae*	Broken up on 22 August 2014
Tae Ryong Gang	8132835	*Ap Rok Gang*	Broken up on 24 March 2015
Ji Hye San	8018900	*Hyok Sin 2*	Inactive, possibly intended for scrapping
Se Pho	8819017	*Rak Won 2*	Inactive, possibly intended for scrapping
Ryong Rim	8018912	*Jon Jin 2*	Uncertain but listed as in service[a]

[a] The Automatic Identification System signal from this vessel contains data from unrelated vessels.

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[65] Over the past decade, OMM has owned and/or operated at least 35 vessels (see S/2015/131, para. 131).

132. Until October 2014, the *Hoe Ryong* was the *Wang Jae San 2*. Port State control authorities recorded the vessel as being operated by OMM in August 2014 (see annex 86). It has been renamed and reregistered from Korea Wangjaesan Shipping Co to Hoeryong Shipping Co Ltd. At the time of writing, official records still listed OMM as the vessel's owner (see ibid.). The vessel was therefore controlled by OMM as at 28 July 2014.

133. OMM has also been operating a fleet of foreign flagged-vessels and supplying them with crews before and after its designation, including vessels jointly managed with Mirae Shipping (H.K.) Co. Ltd. (see paras. 151-152 and table 7). OMM has exercised control over the vessels through overseas representatives embedded in foreign-owned companies, overseas branches and other foreign companies with long-standing relationships. Crews of foreign-flagged vessels mimic the structure of OMM-associated vessels operated under the flag of the Democratic People's Republic of Korea, down to a political secretary on each ship (see the rank or rating of "P/Secretary" in fig. 28) and portraits of the leaders of the country (see fig. 29).

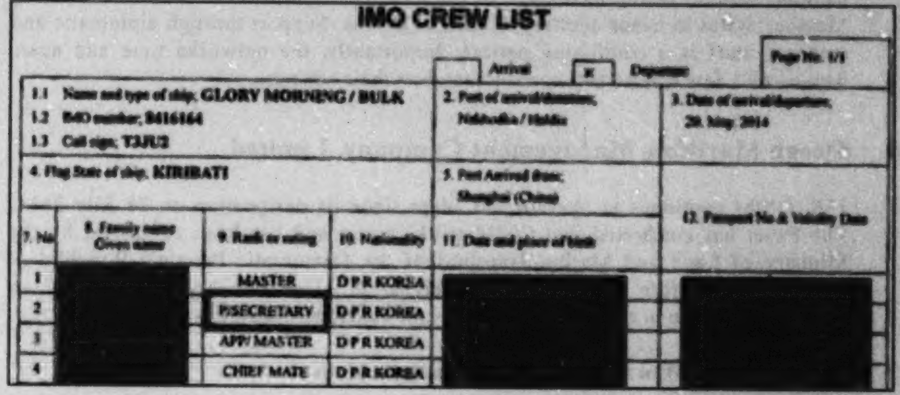
Table 7
Foreign-flagged vessels connected to OMM

Name	*IMO number*	*Status*
Benevolence 2[a]	8405402	Sold, renamed *Gold Star 3* and reflagged to Cambodia
Ever Bright 88	8914934	Member State reported as controlled by OMM; the Panel is investigating links to OMM
Fertility 5	9147332	Unknown
Fertility 9	8417962	Unknown, likely intended for scrapping
Glory Morning	8416164	Sold in August 2015 and scrapped
Glory Ocean	8306929	Unknown, believed intended to be scrapped
Grand Karo	8511823	Member State reported as controlled by OMM as at June 2015; crew included two individuals from OMM vessels; the Panel is investigating links to OMM
Ma Sik Ryong	8608030	Sold in August 2015, intended for scrapping
Ocean Dawning	8505329	Reported sold in February 2015 and later scrapped
Ocean Galaxy	8418227	Reported sold in February 2015 and later scrapped
Orion Star	9333589	Reported by a Member State as controlled by OMM
South Hill 2	8412467	In service with Sierra Leone registry since 1 July 2012
South Hill 5	9138680	In service with Palau registry since 1 September 2014

[a] Other vessels of Petrel Shipping Company Limited included *Petrel 1* and *Blue Nouvelle*.

Figure 28

Vessel crew list showing the political secretary embedded with the crew



IMO CREW LIST

☐ Arrival ☒ Departure

Page No. 1/1

1.1 Name and type of ship: GLORY MORNING / BULK
1.2 IMO number: 8416164
1.3 Call sign: T3JU2

2. Port of arrival/departure: Nakhodka / [illegible]

3. Date of arrival/departure: 28. May. 2014

4. Flag State of ship: KIRIBATI

5. Port Arrived from: Shanghai (China)

7. No.	8. Family name Given name	9. Rank or rating	10. Nationality	11. Date and place of birth	12. Passport No & Validity Date
1	[redacted]	MASTER	D P R KOREA	[redacted]	[redacted]
2	[redacted]	P/SECRETARY	D P R KOREA	[redacted]	[redacted]
3	[redacted]	APP/ MASTER	D P R KOREA	[redacted]	[redacted]
4	[redacted]	CHIEF MATE	D P R KOREA	[redacted]	[redacted]

Figure 29

Captain's cabin and officer quarters showing images of leaders and Korean slogans

134. In the light of the identified patterns involving foreign-flagged vessels and crews associated with OMM, the Panel recalls paragraph 19 of resolution 2094 (2013), by which the Security Council requested all States to communicate to the Committee any information available on transfers of vessels from the Democratic People's Republic of Korea to other companies, including renaming or reregistering of vessels, and requested the Committee to make that information widely available (see recommendation 6 (c)).

VIII. Activities of designated entities and individuals

135. A decade since the adoption of the first resolution, designated entities and associated individuals continue to evade sanctions through increasingly sophisticated and diversified techniques, which include embedding themselves in

the transnational networks of foreign partners to conceal their prohibited activities. These entities use multiple locations to gain access to the global trading and banking system, taking advantage of the lack of cooperation between the relevant Member States to evade scrutiny of their activities. Support through diplomatic and embassy staff is a continuing pattern. Importantly, the networks time and again depend on a few trusted key nodes to conduct their business.

A. Ocean Maritime Management Company, Limited

136. OMM continues to operate and adapt since its designation on 28 July 2014. The Panel has confirmed that OMM works under and has been controlled by the Ministry of Land and Marine Transport of the Democratic People's Republic of Korea, both before and after its designation. The Ministry has played an indispensable role in enabling OMM to evade sanctions measures.

1. Key role of OMM in the *Chong Chon Gang* incident

137. Chinpo Shipping Company (Private) Limited was prosecuted in Singapore for transactions on behalf of OMM in the *Chong Chon Gang* incident of July 2013 (see S/2015/131, para. 149). On 14 December 2015, it was found guilty by the Singapore District Court on the grounds of having transferred $72,016.76 on 8 July 2013. The case exposed the extensive connections of Chinpo to OMM and the key role played by OMM Singapore in giving instructions to Chinpo to pay for the transit of the illicit shipment.

138. Court documents make clear that Chinpo regarded OMM as part of the Government of the Democratic People's Republic of Korea.[66] Similarly, the legal proceedings in Panama showed that all the OMM-controlled crew members of the *Chong Chon Gang* (detained in Panama following the incident) had been paid by the Government.[67]

139. Based on its long-term business relationships, Chinpo served as agent of OMM for "all purposes" and even regarded OMM as its "owner".[68] Chinpo undertook significant financial transactions on behalf of OMM and, in managing OMM funds, categorized them into "operation", "ship purchase" and "crew wage", showing the lines of business of OMM.

140. The Managing Director of Chinpo, Tan Cheng Hoe, acknowledged that Chinpo had made the remittance on 8 July 2013 at the instruction of OMM Singapore.[68] Before the remittance, OMM Singapore had also instructed Chinpo to falsely declare that the freight funds received for the *Chong Chon Gang* were for another vessel, the *South Hill 2* (see annex 89, fig. 5, for the Panel's findings about this vessel). The prosecutor concluded that it was "evident that the OMM representatives in Singapore at that time, either Kim Yuil and/or Choe Chol Ho, were aware of this pending illicit shipment, in sending this email".

141. The OMM Singapore representative, Kim Yu Il, told the prosecutor that the Ministry of Land and Marine Transport was his head office, which had appointed him as OMM overseas representative, and that he reported directly to it, copying

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[66] Prosecution's submissions at the close of trial, 30 October 2015.

[67] Documents from the judicial proceedings provided by Panama.

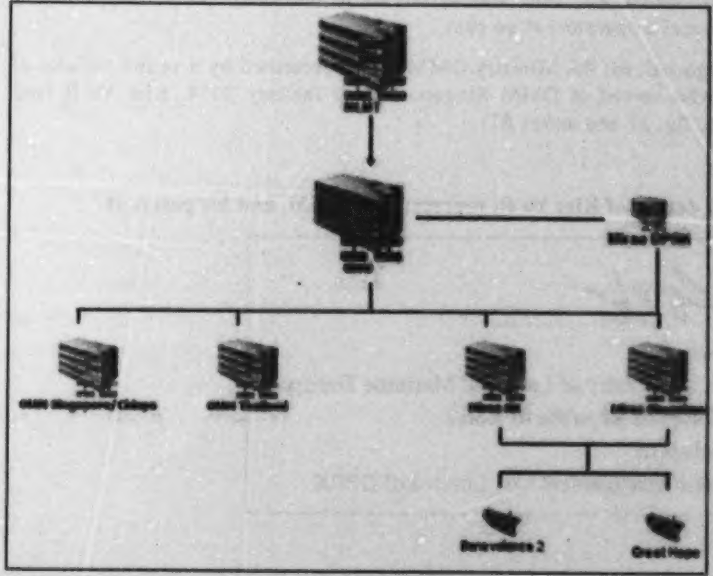
[68] Prosecution's submissions at the close of trial, 30 October 2015.

OMM only when necessary.[69] His statements are consistent with information provided by three Member States that OMM was controlled by, or "part of the structure of", the Ministry (see S/2014/147, annex XXXV). The Panel concludes that the Ministry controlled OMM, including OMM Singapore, which played a key role in the shipment of July 2013 in violation of resolutions 1718 (2006) and 1874 (2009).

2. OMM transfers and acquisition of vessels in December 2014

142. The Panel confirmed that Mirae Shipping (H.K.) Co. Limited[70] and the Shenzhen office of Korea Mirae Shipping Co Ltd ("Mirae") acted on behalf of OMM, both before and after its designation in July 2014. Mirae HK was effectively a subsidiary of OMM (see fig. 30). Key activities of the network were undertaken by the representative of Mirae in Shenzhen, "Mr. Lee", and the Director of Mirae HK, Mr. Hiroshi Kasatsugu (also known as Kim Bak), a Japanese national. The office of Mirae in Shenzhen was controlled by nationals of the Democratic People's Republic of Korea who had "a quite close connection" to OMM (see annex 87).

Figure 30
OMM network chart



143. Around the time of the designation, in July 2014, Mirae operated several foreign-flagged vessels as charter parties. However, it failed to make its payments, given that it was experiencing financial difficulties. The vessels' owner companies and mortgagees ("the claimants") requested maritime courts in Wuhan and Qingdao,

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[69] Prosecution's submissions at the close of trial, 30 October 2015. Kim Yu Il was not a diplomat in Singapore.

[70] Chinese: 米瑞海运（香港）有限公司.

China, in August and September 2014, respectively, to arrest and detain several vessels, including the *Great Hope* and the *Benevolence 2*.[71]

144. In response, the Harbour Superintendence Authority of the Democratic People's Republic of Korea arrested and detained the claimants' vessels in the country's ports on the pretext of "tax evasion" (see annex 87). Another vessel owned by the claimants was already being detained by the country owing to a prior dispute between the charterer and the Korean Ocean Shipping Agency.

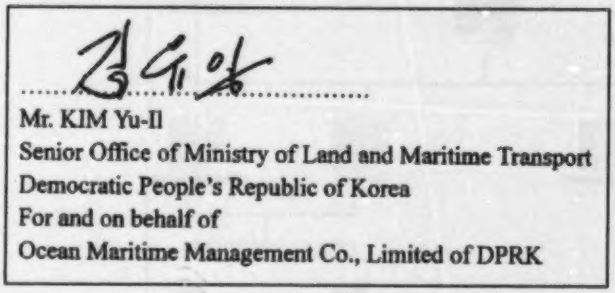
145. Subsequently, the Ministry of Land and Marine Transport intervened on behalf of OMM. The Ministry/OMM then led the negotiation by framing the disputes as a single package deal. The negotiations resulted in a set of complex arrangements aimed at achieving the simultaneous releases of multiple vessels among the various parties. The Panel notes the clear influence exerted by the Ministry/OMM over the Harbour Superintendence Authority and the country's other shipping companies.

146. The negotiations were settled in December 2014 with the release by the Democratic People's Republic of Korea of the claimants' vessels in exchange for the claimants' release from China of the Mirae-operated vessels (see annex 87).[72] The settlement's terms significantly favoured OMM. Mirae was released from outstanding debts. The claimants were forced by the Ministry/OMM to abandon another vessel, which was then transferred to Korea Tong Hung Shipping and Trading (the vessel's operator) at no cost.

147. In the negotiations, the Ministry/OMM was represented by a senior official of the Ministry who served at OMM Singapore until January 2014, Kim Yu Il (see paras. 139-140, fig. 31 and annex 87).

Figure 31

Signature and details of Kim Yu Il, representing OMM, and his passport



Mr. KIM Yu-Il
Senior Office of Ministry of Land and Maritime Transport
Democratic People's Republic of Korea
For and on behalf of
Ocean Maritime Management Co., Limited of DPRK

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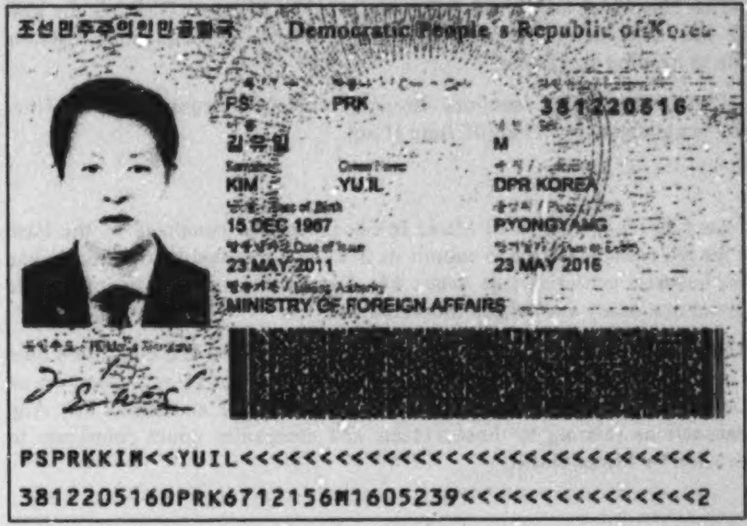
[71] Civil rulings of Wuhan Maritime Court of 1 and 8 August 2014 and of Qingdao Maritime Court of 17 and 25 September 2014.

[72] Civil ruling of Wuhan Maritime Court of 23 December 2014.



조선민주주의인민공화국 Democratic People's Republic of Korea

PS PRK 381220516

김유일 M

Surname Given Name

KIM YU IL DPR KOREA

Date of Birth

15 DEC 1967 PYONGYANG

Date of Issue

23 MAY 2011 23 MAY 2016

Issuing Authority

MINISTRY OF FOREIGN AFFAIRS

[redacted]

PSPRKKIM<<YUIL<<<<<<<<<<<<<<<<<<<<<<<<<<<<<<<

3812205160PRK6712156M1605239<<<<<<<<<<<<<<<2

148. The following companies were nominated to assume ownership of the Mirae-operated vessels, in accordance with the settlement[73] (see annex 87):

(a) Hua Heng Shipping Limited was to assume ownership of the *Great Hope*;

(b) Petrel Shipping Company Limited was to assume ownership of the *Benevolence 2*.

149. The Director and shareholder of Hua Heng and Petrel was Li Anshan, who had a close business relationship with Mr. Kasatsugu (see annex 88). Mr. Li denied having had any relationship or connection with OMM (see annex 87).

150. The Panel therefore concludes (see recommendation 7 and confidential annex 109):

(a) That OMM and the Ministry of Land and Marine Transport, in particular the Ministry's senior official, Mr. Kim Yu Il, coerced the claimants to transfer to the Democratic People's Republic of Korea at least two vessels (*Benevolence 2* and *Great Hope*) operated by Mirae (acting on behalf of OMM), which constitutes evasion of the sanctions imposed under paragraph 8 (d) of resolution 1718 (2006) and paragraphs 8 and 11 of resolution 2094 (2013). The Ministry acted on behalf of OMM and assisted in its evasion of sanctions;[74]

(b) That Mirae acted on behalf of OMM as late as December 2014 and assisted it in evading sanctions through cross-border transfers of the vessels in December 2014 while serving as owner of the *Great Hope*, which was actually controlled by OMM;

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[73] These ownership transfers are also reflected in the IMO database.

[74] The Panel has no reason to believe that the claimants willingly participated in the evasion of sanctions by OMM.

(c) That Hua Heng and Petrel were nominated by Mirae or OMM as the new owners of the *Benevolence 2* and the *Great Hope*, consequently assisting OMM/Mirae in evading sanctions;[75]

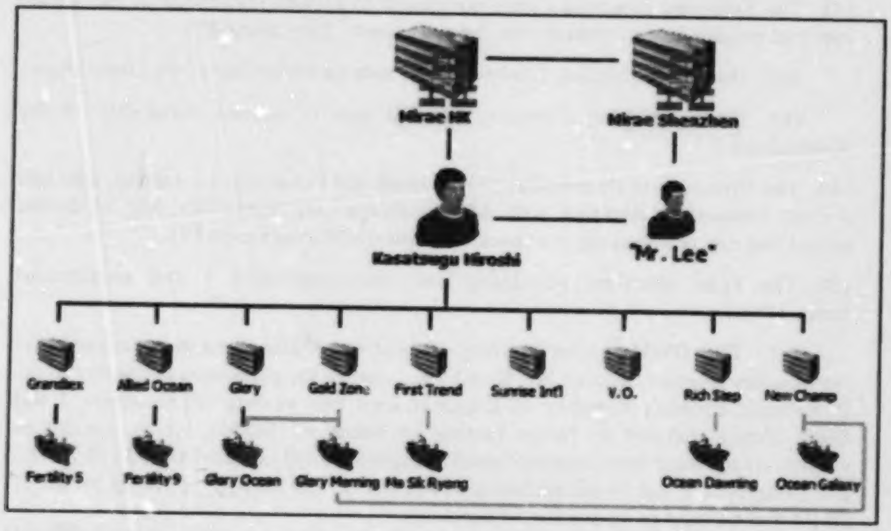
(d) That OMM evaded sanctions through its coercive acquisition of another vessel from the claimants on behalf of Tong Hung.

3. Mirae

151. In January 2015, the office of Mirae in Shenzhen was penalized by the local authorities for the entity's failure to submit its 2012-2013 annual report, with a ban from further business activities (see annex 88). The Panel continues to investigate the activities of that entity and related individuals.[76]

152. The Director of Mirae HK, Hiroshi Kasatsugu, has owned and controlled nine companies, including those involved in the operation of seven vessels using crews from the Democratic People's Republic of Korea (see fig. 32 and annex 88). Any business transactions relating to those vessels and companies could contribute to sanctions evasion by Mirae/OMM.

Figure 32
Mr. Kasatsugu's network


Mirae HK
Mirae Shenzhen
Kasatsugu Hiroshi
"Mr. Lee"
Grandlex
Allied Ocean
Glory
Gold Zone
First Trend
Sunrise Int'l
V.O.
Rich Step
New Champ
Fertility 5
Fertility 9
Glory Ocean
Glory Morning
Ha Sik Ryong
Ocean Dawning
Ocean Galaxy

4. Hua Heng Shipping Limited, Petrel Shipping Company Limited and CM Chartering Limited

153. The Director and shareholder of Hua Heng and Petrel, Li Anshan, confirmed to the Panel that he had had business dealings with Mr. Kasatsugu from June 2011 to June 2015, but denied knowledge of Mr. Kasatsugu's connection to OMM or of having had any business relationships with OMM. The Panel could not, however,

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[75] The Panel has yet to determine knowledge of OMM involvement on the part of Hua Heng/Petrel.

[76] The representatives of Mirae in Shenzhen were Mr. Ri Sung Il, Mr. Kong Pong O and Mr. Jong Kyong Chon.

corroborate Mr. Li's statements and noted various inconsistencies in his explanations (see annex 89).

5. OMM vessels

154. After its designation in July 2014, vessels associated with OMM were renamed and reregistered with other owners, ship managers and operators. OMM was dissolved in the IMO database, and the entity and the vessels have successfully evaded sanctions. For example, among the vessels, the *Hui Chon*, the *Kang Gye*, the *Ryong Rim* and the *Tae Ryong Gang* were inspected by port State control authorities after October 2014 (see annex 90), but never subjected to the asset freeze.

155. As noted in its final report for 2015, the Panel considers that the renaming and reregistration of OMM-controlled vessels after 28 July 2014 is an attempt to evade sanctions by OMM, and that the companies from the Democratic People's Republic of Korea that have been newly registered for these vessels have been acting on behalf of OMM or at its direction and assisting OMM in the evasion of sanctions. The Security Council has, in paragraph 19 of its resolution 2094 (2013), officially included the renaming or reregistration of vessels in the category of transfers of vessels from the Democratic People's Republic of Korea to other companies that may have been undertaken in order to evade the sanctions. Renaming and reregistration of vessels have therefore been officially determined as a means of evading sanctions.

156. The Panel re-emphasizes its recommendation made in its final report for 2015 that the vessels, as listed by the Panel (see S/2015/131, table 8 and fig. XXIV), that are owned and/or controlled by OMM or by entities acting on its behalf or at its direction in assisting the evasion of sanctions should be subject to the measures imposed under paragraph 8 (d) of resolution 1718 (2006) and paragraphs 8 and 11 of resolution 2094 (2013), in particular the asset freeze (see the Panel's assessments in annex 90).

157. In this regard, the Russian Federation requested additional information from the Panel about some of the vessels' connections to OMM, stating in a letter of 13 January 2016 that it did not have evidence of the connection. It further stated that "if there is substantial evidence we would be ready to discuss possible inquiries for designating these legal entities to be included into the UNSC 1718 Committee's Sanctions List" and that, "once they are designated by the Committee, the necessary restrictive measures stipulated by the UNSC resolutions would be applied against those entities" (see annex 107).

158. The Panel emphasizes that Member States' obligations to freeze assets are not limited to those assets owned or controlled directly by OMM, but also apply to those owned or controlled by entities acting on behalf or at the direction of OMM, as well as those that could contribute to the evasion of sanctions.

159. As noted, the aforementioned vessels are assets currently owned and controlled officially by the aforementioned entities of the Democratic People's Republic of Korea (the newly registered owners, operators and managers of the vessels), which have been acting on behalf of OMM and assisting it in the evasion of sanctions. The Panel therefore considers that the vessels should be subject to sanctions measures (see recommendation 6 and also S/2015/131, recommendation 6).

160. An OMM-associated vessel, *Hui Chon*, anchored near the port of Sakaiminato, Japan, from 9 to 13 March 2015. Japan informed the Panel that the vessel had been permitted to take shelter from inclement weather in its territorial waters, but that it had remained outside its harbour throughout. The Japanese position was that, under customary law and the United Nations Convention on the Law of the Sea, it had no legal grounds to detain the vessel while it was exercising its right to innocent passage in territorial waters, never having entered a Japanese port where Japan would have been able to exercise jurisdiction. The vessel left Japanese territorial waters on 13 March 2015.

6. Update on OMM-associated companies and individuals

161. The Panel updates the information on OMM-associated entities, individuals and vessels provided in its final report for 2015 (see S/2015/131, table 8, and annexes 18, 24 and 33.2), as summarized below:

(a) Individuals having worked for OMM:[77]

(i) Mr. Kim Phyom Bom (director, as at December 2014);

(ii) Mr. Nam Un Gyong (financial controller);

(iii) Mr. Ri Ki Jung (financial controller);

(iv) Mr. Kim Sang Gun (financial controller);

(b) Individuals having worked for OMM Dalian:[77]

(i) Mr. Jin Yong Yuan (possible alias: Kim Yong Won) (金永元): former chief representative;

(ii) Mr. Oh Ung Ho (吴雄虎);

(iii) Mr. Zhang Liang Yu (张良宇);

(c) OMM-associated vessel: *Hoe Ryong* (IMO No. 9041552) (formerly *Wang Jae San 2*);

(d) OMM-associated entities:

(i) Hoeryong Shipping Co Ltd (IMO No. 5817786):

a. Address: 108, Pongnam-dong, Pyongchon-guyok, Pyongyang;

b. A registered owner of the *Hoe Ryong* (IMO No. 9041552) since October 2014;

(ii) Korea Wangjaesan Shipping Co Ltd (IMO No. 5787671):

a. Address: Tonghung-dong, Chung-guyok, Pyongyang;

b. A former registered ship manager and operator of the *Wang Jae San* (IMO No. 9041552) from January 2013 to September 2014;

(iii) Taedonggang Shipping Co (IMO No. 5435974):

a. A former registered owner of the *Tae Dong Gang* (IMO No. 7738656) which was listed as "broken up" in the IMO database on 16 May 2014. The Tokyo Memorandum of Understanding on Port State Control in the Asia-

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[77] Information obtained by the Panel.

Pacific Region database listed OMM as the vessel's International Safety Management Manager;

b. Address: Tonghung-dong, Chung-gu, Pyongyang; and Tonghung Dong, Central District, Pyongyang;

c. Tel: 850 2 18111, ext. 381 8818 04; fax: 850 2 381 4567;

d. E-mail: taedonggang@silibank.com.

B. Korea Ryonbong General Corporation

162. Korea Ryonbong General Corporation (formerly known as Lyongaksan General Trading Corporation) was designated for its role in military procurement and sales. The Panel confirms that Korea Lyongaksan and Korea Ryongaksan are aliases of Ryonbong.[78] As at the time of writing, the Lyongaksan branch in Zhuhai, China, was still listed as active, with Mr. Kim Pyong Chan listed as the entity's legal representative (see annex 92).[79] Lyongaksan was also listed with branches in Dandong, Ji'an, Linjiang and Tumen, China (see annex 93). One branch representative was also listed as the manager of Korea Chenggang Trading Corporation at the same address (see ibid.). According to Member States, subsidiaries of Ryonbong include Korea International Chemical Joint Venture Company, Korea Hyoksin Trading Corporation, Korea Pugang Trading Corporation, Korea Complex Equipment Import Corporation, Korea Kwangsong Trading Corporation and Korea Ryongwang Trading Corporation (see annexes 94-96).[80]

Korea Complex Equipment Import Corporation

163. Korea Complex Equipment Import Corporation was designated by the Security Council in March 2013 as a subsidiary of Ryonbong. The Panel confirmed information from a Member State that the company had been using the alias of Korea Equipment & Plant Corporation (KEP) since as early as 2001 (see annex 95).

164. The Panel recommends that the Committee update the sanctions list by adding the following information (see recommendations 4 (c)-(e)):

Ryonbong

Aliases:	Korea Lyongaksan General Trading Corporation
	Korea Ryongaksan General Trading Corporation
Other information:	Ryonbong-owned entities include Korea International Chemical Joint Venture Company

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[78] Lyongaksan was formerly known as Korea Ryongaksan General Trading Corporation (see annex 91).

[79] Chinese: 朝鲜龙岳山贸易总会社.

[80] United States Department of the Treasury, "Treasury targets North Korean entities for supporting WMD proliferation", press release, 21 October 2005, available from www.treasury.gov/press-center/press-releases/Pages/js2984.aspx.

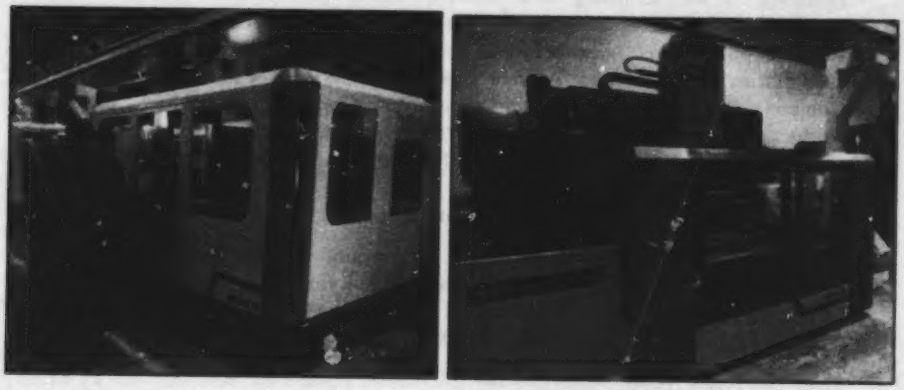
Korea Complex Equipment Import Corporation

Alias: Korea Equipment & Plant Corporation (KEP)
Address: Central District, Pyongyang
E-mail: kepc@co.chesin.com

C. Korea Ryonha Machinery Joint Venture Corporation

165. Korea Ryonha Machinery Joint Venture Corporation is continuing its activities, notwithstanding the United Nations sanctions. A recent official publication depicted a photograph of Kim Jong Un observing the operation of machine tools branded "Ryonha Machinery", which had not been previously seen by the Panel (see fig. 33).

Figure 33
Machine tools branded "Ryonha Machinery"



Source: *Rodong Sinmun*, 21 December 2015.

166. Previously, the Panel reported on the business relationship of Ryonha with KORTEC, a Moscow-based company. According to its former Executive Director, KORTEC ceased its business relationship with Ryonha in 2012.[81] According to him, administrative functions between the two companies (e.g. contracts and invoices) had been performed by a secretary from the Embassy of the Democratic People's Republic of Korea in Moscow, Park Sen Gun.[82] The Panel reiterates its concerns regarding the clear pattern of private sector and business activities by diplomats and embassy staff of the Democratic People's Republic of Korea.

167. The Panel previously reported on a Ryonha agent in Dandong who used the alias of "KORTEC" to promote sales of KORTEC machine tools that were identical to Ryonha products (see S/2015/131, para. 177). The Panel had therefore recommended that the Committee should add "KORTEC" as an alias for Ryonha.

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[81] According to the Russian Federation, the relationship between KORTEC and Ryonha ceased following the designation of Ryonha on 22 January 2013.

[82] His mobile phone number is 7 985 962 59 81 and his e-mail address is corustrade@gmail.com.

The Panel reiterates its recommendation that "KORTEC" be added as an alias for Ryonha (KPE.016) on the sanctions list.

168. The Panel reiterates that recommendation insofar as it relates to the entity of the Democratic People's Republic of Korea using that name, as opposed to foreign companies using the same name. In particular, Member States should be alerted when the country's entity promotes the sale of machine tools with the KORTEC name.

D. Leader (Hong Kong) International

169. The designation of Leader in March 2013 notwithstanding, the company's Director, Mr. Cai Guang, continued business activities through Dalian Union, which constitutes sanctions evasion (see paras. 62-70). Dalian Union and its Director, Piao Chengyuan,[83] have been assisting Mr. Cai and Leader in evading sanctions.

170. Mr. Piao serves as the Director of and/or shareholder in three other companies: Dandong Yongxinghe, Dandong Union Trading Co. Ltd and Longjin (Hong Kong) International Trading Co., Ltd. (see annexes 97-99). Dandong Yongxinghe and Dandong Union share the same address with the local branch of Korea Taesong Trading Company (see annex 98).[84] The European Union and the United States sanctioned Korea Taesong for trading links with KOMID, including dealings with the Syrian Arab Republic.[85] Mr. Li Hongri and Mr. Ma Gewen,[86] who were also connected to Leader and Kumryong, have maintained their business relationships with Mr. Piao and his companies, Dalian Union and Dandong Yongxinghe (see fig. 34, paras. 62-70 and annexes 97-99). Business dealings with these individuals and their companies therefore could contribute to sanctions evasion.[87]

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[83] Also known as Park (Pak) Seung (Sung) Won.

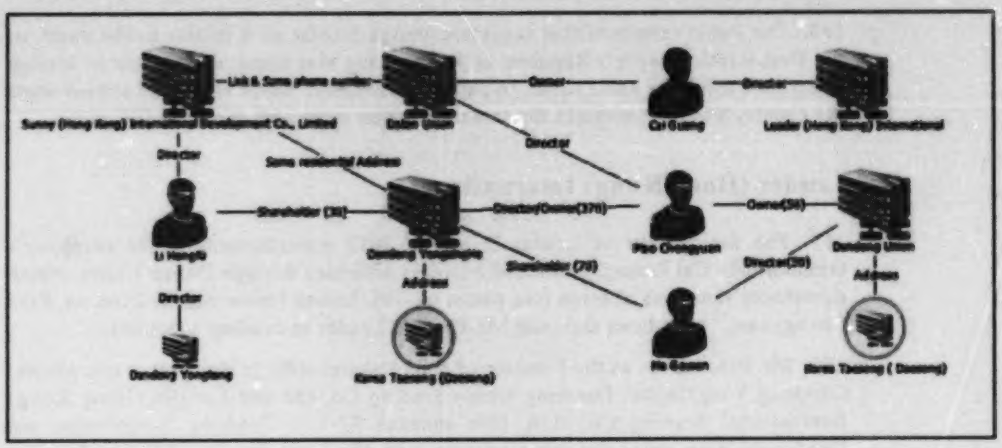
[84] Chinese: 朝鲜大成贸易会社丹东代表处, 朝鲜大星贸易会社丹东代表处.

[85] European Council Decision 2013/183/CFSP; and United States Department of the Treasury, "United States designates North Korean entities and individuals for activities related to North Korea's weapons of mass destruction program", press release, 30 August 2010, available from www.treasury.gov/press-center/press-releases/Pages/tg840.aspx.

[86] Mr. Li and Mr. Ma serve as directors of Xiuhua International Trading Co., Ltd. and Hong Kong Max Moon Trading Co., Limited, respectively (see annex 99).

[87] By paragraph 11 of its resolution 2094 (2013), the Security Council prohibited the provision of financial services and the transfer of any assets that could contribute to the evasion of the sanctions measures.

Figure 34
Entities connected to Leader


Link & Same phone number
Owner
Director
Sunny (Hong Kong) International Development Co., Limited
Dalian Union
Cai Guang
Leader (Hong Kong) International
Director
Director
Same residential Address
Shareholder (30)
Director/Owner(370)
Owner(50)
Li Hongfa
Dandong Yongxingda
Pao Chongyuan
Dandong Union
Shareholder (70)
Director(30)
Address
Address
Director
Dandong Yongfeng
Korea Taesong (Daesong)
He Guoan
Korea Taesong (Daesong)

E. Korea Mining Development Trading Corporation and Korea Tangun Trading Corporation

171. In total, 11 of the 15 nationals of the Democratic People's Republic of Korea designated by the United States Department of the Treasury in January and November 2015 had been affiliated with or acted on behalf of KOMID.[88] The designations included three individuals linked to KOMID activities in Myanmar and one individual and entity for their activities in Egypt. The Ambassador of the Democratic People's Republic of Korea to Myanmar, Kim Sok Chol, was designated for operating as a KOMID facilitator. At the time of writing, the Panel had no indication that he had been removed from his position.

172. Of the 11 individuals, Mr. Kim Kwang Yon and Mr. Kil Jong Hun were listed as KOMID representatives in Namibia (see S/2015/131, para. 187). Namibia confirmed their diplomatic accreditation until early 2015, but stated in July that it had terminated their diplomatic status and requested their recall (see annex 100). Namibia denied knowledge of their links to KOMID, but said that it had added them to an "immigration stop list" following their designation.

173. Mr. Kim and Mr. Kil were originally accredited to the country's embassy in Pretoria, South Africa, as Second Secretary and Third Secretary, respectively. Nevertheless, travel records since 2012 reveal that they spent most of their time in Windhoek, leaving Namibia approximately every two months for periods between a week and a month. Namibian travel records also show no entry or exit records for them since December 2014. The embassy opened a personal bank account for Mr. Kil, to which Mr. Kim also was given access.

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[88] United States Department of the Treasury, "Issuance of new North-Korea-related executive order; North Korea designation", press release, 2 January 2015, available from www.treasury.gov/resource-center/sanctions/OFAC-Enforcement/Pages/20150102.aspx; "North Korea designations", Resource Center, 13 November 2015, available from www.treasury.gov/resource-center/sanctions/OFAC-Enforcement/Pages/20151113.aspx.

174. The Panel has also confirmed that another designated individual, Kim Kwang Chun, played a key role in the shipment in 2012 of ballistic missile-related items seized by the Republic of Korea, while serving as the representative of Korea Tangun Trading Corporation in the Syrian Arab Republic (see annex 101 and S/2013/337, paras. 44-46, and S/2014/147, paras. 51-54). Two Member States reported that Mr. Kim was serving as representative of Ryungseng Trading Corporation (an alias of Tangun), based in Shenyang, China (see S/2015/131, para. 187).

F. Travel of individuals reportedly linked to designated entities

175. In 2015, the Panel investigated the travel activities of individuals designated by Member States or otherwise subject to Panel investigation as possibly working on behalf of designated entities.[89]

176. The Panel has obtained passport and air travel information on seven individuals designated by the United States as KOMID representatives or officials[90] (see table 8).

Table 8
Travel of reported KOMID representatives

Name	*Date of birth*	*Passport number*	*Country in which reported as active*
Mr. Jang Yong Son	20 February 1957	563110024	Islamic Republic of Iran
Mr. Kim Yong Chol	18 February 1962	472310168	Islamic Republic of Iran
Mr. Kang Ryong	18 February 1962	472310168	Syrian Arab Republic
Mr. Ryu Jin	21 August 1968	472410192	Syrian Arab Republic
Mr. Kil Jong Hun	7 August 1965	563410081	Namibia
Mr. Kim Kwang Yon	20 February 1972	472410022	Namibia
Mr. Jang Song Chol	30 July 1966	563210059	Russian Federation[a]

[a] The Russian Federation told the Panel that it opposed answering any inquiries based on unilateral sanctions (see annex 106).

177. The Panel has to date been unable to confirm that the above-listed individuals are KOMID representatives or officials. They transited through, entered or exited the following States between 2012 and September 2015: China, Egypt, Iran (Islamic Republic of), Malaysia, Singapore, Sudan, Uganda, United Arab Emirates and Zimbabwe (see annex 102). Those in the Islamic Republic of Iran and Namibia were confirmed as accredited diplomats by the United Arab Emirates, Pakistan and Namibia. Tourist or transit visas were provided to them for travel to the United Arab Emirates. Pakistan noted that their visa applications reflected an intention to visit

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[89] See annex 102 for additional information on the global airlines project.

[90] United States Department of the Treasury, "Treasury imposes sanctions against the Government of the Democratic People's Republic of Korea", press release, 2 January 2015, available from www.treasury.gov/press-center/press-releases/Pages/jl9733.aspx.

the embassy and a consulate in Pakistan. Several of the individuals travelled on the same flights on consecutively numbered tickets issued by the same agency.

IX. Financial measures

178. Financial information obtained by the Panel during the period under review provides insights into the commercial operations and banking practices of the Democratic People's Republic of Korea. One Member State reported to the Committee action taken in accordance with paragraph 8 (d) of resolution 1718 (2006) with regard to the asset freeze.

179. The financial sanctions notwithstanding, the Democratic People's Republic of Korea continues to gain access to and exploit the global international financial system (including banking and insurance) through reliance on aliases, agents, foreign individuals in multiple jurisdictions, and a long-standing network of front companies and embassy personnel, all of which support illicit activities through banking, bulk cash and trade.

180. The Panel has concerns about banks without adequate banking regulations and the intent to enforce them, especially in countries lacking effective laws and compliance institutions.[91] Transactions originating in foreign banks have been processed through corresponding accounts in the United States and Europe. The enhanced due diligence required under the resolutions in the case of the Democratic People's Republic of Korea is frustrated by the fact that companies linked to the country are often registered by non-nationals, who also use indirect payment methods and circuitous transactions dissociated from the movement of goods or services to conceal their activity.

181. The implementation of financial sanctions becomes more complex as it moves from targeted financial sanctions based on designation lists to activity-based sanctions,[92] an endeavour that requires first establishing whether an entity is being controlled or used by a designated entity. The situation is complicated because lists of aliases are never exhaustive, not least because of alternative ways to transliterate Korean names. In addition, the Panel is hampered in updating information on designated entities owing to time lapses in responses to its inquiries, allowing entities more room to continue their activities.

A. Transactions associated with foreign-sourced components for the Unha-3

182. The pressure transmitters found in the debris of the Unha-3 rocket launched in December 2012 were procured in two separate transactions, one in December 2006 and one in May 2010, by Royal Team Corporation (RTC), based in Taipei. RTC

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[91] An added problem is that banks in the countries along the illicit activity pathways of the Democratic People's Republic of Korea have not provided incentives for their financial sectors to expend resources on countering illicit financing generally, and countering proliferation financing specifically.

[92] Activity-based sanctions prevent the provision of financial services, resources or assistance to the Democratic People's Republic of Korea relating to the supply, sale, transfer or use of items prohibited under the resolutions.

purchased the items from a United Kingdom-based company, without informing it of their ultimate destination, before transferring them to Korea Chonbok Trading Corporation in Pyongyang. Since at least March 2004, RTC had been purchasing a large number of transmitters from the same supplier (see table 9).

Table 9

Number and types of pressure transmitters acquired by RTC after October 2006

	[redacted]610						[redacted]30			[redacted]400			
Purchase date	16 bar	40 bar	60 bar	100 bar	250 bar	400 bar	6 bar	250 bar	400 bar	16 bar	60 bar	100 bar	250 bar
September 2006										3	2	3	1
December 2006	12		21	31		4							
July 2007	3					3							
April 2008								8	15				
June 2008	9												
August 2009	12	3					5	14	10				
September 2009				1	3	5		14	10				
April 2010	23		2	14		6							

Note: Items whose export to Chonbok was confirmed by the Panel are circled.

1. Transfer to Chonbok of pressure transmitters in May 2010

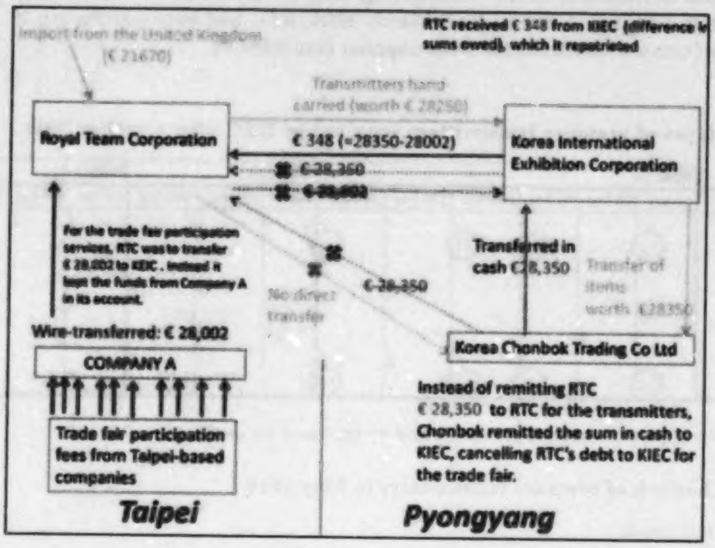
Transfer of illicit goods

183. Multiple exchanges with the Panel notwithstanding, RTC was unable to provide export records. It did, however, inform the Panel that it had hand-carried the items by air from Taipei to Pyongyang through Beijing without declaring them to the customs authorities. This was despite the earlier sentencing of two RTC employees by the Taipei District Court for having exported strategic high-technology articles to the country through Beijing and Macao, China, in 2008. This included several air shipments that used similar concealment modalities. The Panel established that the transfer was a violation by the Democratic People's Republic of Korea of its obligations to suspend all ballistic missile-related activities and to abandon its ballistic missile programme.

Financial transaction

184. RTC initially outlined to the Panel a complex circular payment scheme, involving another Taipei-based company, company A, and a company in the Democratic People's Republic of Korea, Korean International Exhibition Corporation (KIEC), in which the three companies arranged to compensate one another's creditors so that no foreign transaction was required. Company A owed approximately the same amount to KIEC (for the participation of Taipei-based companies in a trade fair) that Chonbok owed to RTC. Company A transferred funds to RTC, while Chonbok paid KIEC the amount owed to RTC, in effect cancelling out the parties' debts to one another (see fig. 35 and annex 108). RTC subsequently changed its explanation of the transaction by removing mention of company A, instead stating that Chonbok had transferred cash directly in Pyongyang, which RTC had then immediately turned over to KIEC for the organization of the participation of Taipei-based companies in the fair.

Figure 35
Flow chart associated with 2010 transaction


Import from the United Kingdom
(€ 21670)
RTC received € 348 from KIEC (difference in sums owed), which it repatriated
Transmitters hand carried (worth € 28250)
Royal Team Corporation
€ 348 (=28350-28002)
Korea International Exhibition Corporation
€ 28,350
€ 28,002
For the trade fair participation services, RTC was to transfer € 28,002 to KIEC. Instead it kept the funds from Company A in its account.
No direct transfer
€ 28,350
Transferred in cash €28,350
Transfer of items worth €28350
Wire-transferred: € 28,002
COMPANY A
Korea Chonbok Trading Co Ltd
Trade fair participation fees from Taipei-based companies
Instead of remitting RTC € 28,350 to RTC for the transmitters, Chonbok remitted the sum in cash to KIEC, cancelling RTC's debt to KIEC for the trade fair.
Taipei
Pyongyang

185. RTC was unable to provide records for either of the two payment scenarios. Its managers were obliged by law to declare to the authorities the foreign currency revenue from Chonbok of €28,350. However, it would have been impossible for the regulatory authorities to detect any transaction. The Panel concludes that RTC evaded local regulations, whether by design or omission, and consequently assisted the Democratic People's Republic of Korea in the evasion of sanctions.[93]

2. Transfer to Chonbok by RTC of pressure transmitters in December 2006

186. In 2006, Chonbok transferred €71,700 through an individual named "Ryom Jong Chol" from a Malaysian bank to RTC. According to information obtained by the Panel, Mr. Ryom was acting as the representative of Bank of East Land in Malaysia at that time. Bank of East Land was designated in 2013 by the Security Council for its role in facilitating weapon-related transactions for another designated entity, Green Pine. The Panel contacted Malaysia regarding the transaction, but has yet to receive a reply.

B. Reconnaissance General Bureau

187. The Panel obtained documents showing that a Reconnaissance General Bureau agent whose assets were frozen by a European Member State in 2013, Kim Su Gwang, had used his status as a staff member in an international organization in Europe to bring other nationals of the Democratic People's Republic of Korea,

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[93] Paragraph 10 of resolution 1874 (2009), superseding paragraph 8 (a) of resolution 1718 (2006), and prohibition of the transfer of any financial assets that could contribute to the ballistic missile-related activities of the Democratic People's Republic of Korea (paragraph 18 of resolution 1874 (2009)).

including two other Bureau agents, to Europe. They included the Director of the International Relations Department of the Korea United Development Bank in Pyongyang, Kim Su Gyong,[94] and her father, Kim Yong Nam, who, according to a Member State, managed a support network for itinerant Bureau officers in Europe and worldwide by supplying them with financial and other resources to carry out missions assigned by the Bureau's head office. Ms. Kim was colluding with her brother and her father to engage in illicit activities and provide cover for the organization's activities.

C. Legislation to implement targeted financial measures

188. The Panel has found that in numerous cases the lack of adequate national implementing legislation and/or of an inter-agency information-sharing process to assist Member States in assessing prohibited activities has led to highly uneven implementation of targeted financial sanctions. In the context of its outreach activities, the Panel has been requested to provide assistance in reviewing draft legislation on proliferation finance. In this regard, the Panel underlines that, to meet their obligations under the resolutions, Member States must include in such legislation measures prohibiting trade with the Democratic People's Republic of Korea governing all arms and related materiel (in addition to proliferation of weapons of mass destruction). Without such provisions, Member States will be substantially hampered in taking action against designated entities and those acting on their behalf for violating the embargo on conventional arms.

D. OMM asset freeze

189. Mexico sought and received clarification from the Committee on the status of the *Mu Du Bong*, which it had been detaining since July 2014. In a letter to Mexico dated 6 May 2015, the Committee stated that the asset-freeze obligation pursuant to resolution 1718 (2006) applied to OMM and all its financial assets and economic resources, including the *Mu Du Bong*. On the basis of that finding, Mexico froze the *Mu Du Bong*.

E. Chinpo Shipping and financing of proliferation

190. In a rare proliferation financing prosecution, the Singapore District Court charged Chinpo Shipping Company (Private) and its Director, Tan Cheng Hoe, with providing financial services or transferring financial assets or resources to OMM (see paras. 137-141). On 14 December 2015, the Court found that Mr. Tan had transferred $72,016.76 to a foreign shipping agent for the shipment aboard the *Chong Chon Gang* in July 2013 (intercepted by Panama).

191. The judge, Jasvender Kaur, stated that Chinpo "had conducted no due diligence whatsoever" before transferring the funds on 8 July 2013. She found that Chinpo had applied for 605 outward remittances totalling $40 million between 2009

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[94] The Russian Federation informed the Panel that unilateral sanctions were "not an argument for suspicion of unlawful activities on Russian territory" (see annex 106).

and 2013 on behalf of nationals of the Democratic People's Republic of Korea. The accused described himself as a "payment agent" for OMM.

192. Court documents provide ample evidence of both the implementation and the evasion of targeted financial measures. The documents indicate that, although Chinpo at one time indicated vessel names in its outgoing remittance forms, it ceased that practice in the second half of 2010. According to Mr. Tan's statement, "more questions were asked by the bank in the United States when the vessel name was included, and some processing banks will reject the transaction after asking for more information". He then stated that the Singapore branch of Bank of China, from which Chinpo had undertaken the transaction of $72,016.76, "had advised [Chinpo] to leave out the vessel name in transactions, that bank was aware that the remittances were being conducted on the behest of Democratic People's Republic of Korea entities".[95] Apparently, as a result of that advice, Mr. Tan began to remove vessel names from the payment details. Chinpo similarly advised entities of the Democratic People's Republic of Korea on multiple occasions not to include such names in inward remittances, further assisting sanctions evasion. An employee stated that she had been instructed to include that reminder in outgoing e-mails. Another employee elaborated that that instruction had been included "partly because Chinpo wanted to get the money and the funds would be blocked by the US if the US knew that the transfers were made in relation to a Democratic People's Republic of Korea vessel".[96] The Panel notes that such information-stripping is consistent with the evasion practices used by other OMM entities and individuals.

F. Financial Action Task Force

193. The Panel works closely with the Financial Action Task Force and engages in outreach with similar regional bodies to promote and support the implementation of United Nations targeted financial sanctions. The Task Force's mutual evaluation process assesses compliance with the targeted financial measures provided for in resolution 1718 (2006) and its successor resolutions, with the Panel present at the discussions of its assessments to answer questions from Member States. On 27 February and 23 October 2015, the Task Force renewed the placement of the Democratic People's Republic of Korea on its "public list" and highlighted the threat that its practices posed to the integrity of the international financial system. In transactions relating to the Democratic People's Republic of Korea, the Task Force urges the financial institutions of members to take countermeasures, which include enhanced due diligence.

X. Unintended impact of the sanctions

194. The Panel has been unable to find incidents in which bans imposed under the resolutions directly resulted in shortages of foodstuffs or other humanitarian aid. National legislative or procedural steps taken by Member States and the private sector have been reported as prohibiting or delaying the passage of goods to the

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[95] China informed the Panel that, "in accordance with the remittance application submitted by the Chinpo Shipping Co Pte Ltd, Bank of China handled the remittance process according to relevant regulations with the payee as C.B. Fenton & Co, SA".

[96] Prosecution's submissions at the close of trial, 30 October 2015 (Singapore).

Democratic People's Republic of Korea. It is often difficult to distinguish those measures from United Nations sanctions.

195. One related problem in 2015 concerned difficulty with financial transactions involving United Nations bodies working in the country. While the Panel was unable to establish any direct link to United Nations sanctions, it takes note of recommendation 4 of the Committee's Implementation Assistance Notice No. 6, by which the Democratic People's Republic of Korea was encouraged to take reasonable measures to facilitate the operation of diplomatic missions in the country, including by providing for alternative banking channels, if necessary.

196. The Panel also took note of the report of the Secretary-General on the situation of human rights in the Democratic People's Republic of Korea, in which it was stated that "the United Nations and unilateral sanctions imposed on the Democratic People's Republic of Korea clearly do not apply to humanitarian assistance, but they have had an unintended and indirect negative impact on vulnerable people" (A/70/393, para. 41). The Panel is continuing its investigation.

XI. Recommendations

197. Since its first report to the Committee and the Security Council, in 2010, the Panel has noted the evolution of its recommendations from general to more targeted, practical and implementable ones. The Panel reiterates that the recommendations made in its previous report (S/2015/131) remain valid and should be reconsidered in the light of its additional research and the evidence that it has gathered.

A. Recommendations to the Committee

Recommendation 1
National implementation reports and Member State obligations

The Panel recommends that the Chair and Vice-Chairs of the Committee approach non-reporting Member States to fulfil their reporting obligations under the relevant resolutions. They should:

(a) Convene regular open briefings for Member States;

(b) Convene briefings for the Chairs of the regional groups;

(c) Convene regular bilateral meetings;

(d) Encourage non-permanent members of the Security Council to submit their reports as models of good practice.

Recommendation 2
Specialized teaching and training

The Panel recommends that the Committee propose that the Security Council strengthen the measures imposed under paragraph 28 of resolution 1874 (2009):

(a) By demanding that Member States prevent the specialized teaching or training of nationals of the Democratic People's Republic of Korea within their territories by their nationals of disciplines that could contribute to the country's prohibited programmes and by clarifying that such teaching or training does not exclude the teaching of general or basic knowledge;

(b) By encouraging international organizations to seek the Committee's guidance to ensure that their training programmes and courses do not contravene the sanctions imposed under paragraph 11 of resolution 2087 (2013).

Recommendation 3
Paragraph 10 of Implementation Assistance Notice No. 5

The Panel recommends that the Committee update the penultimate sentence of paragraph 10 of Implementation Assistance Notice No. 5 so that it reads as follows:

> These resolutions prohibit the transfer from the DPRK by its nationals or from its territory of advice, services or assistance related to the maintenance or use of prohibited arms and related materiel, *regardless of whether such items were supplied by or transferred from the DPRK.*

Recommendation 4
Updates to the sanctions list

The Panel recommends that the Committee update the sanctions list as follows:

(a) Add the alias of "Li Je Sen" as a good quality a.k.a. to KPi.002 (Ri Je-Son);

(b) Add the following new information to KPe.010:

KPe.010 GREEN PINE ASSOCIATED CORPORATION
A.k.a.:
Green Pine Association
Green Pine Associate

(c) Add the following new information to KPe.002:

KPe.002 Korea Ryonbong General Corporation
A.k.a.:
Korea Lyongaksan General Trading Corporation
Korea Ryongaksan General Trading Corporation
Other Information: Ryonbong-owned entities include Korea International Chemical Joint Venture Company.

(d) Add the following new information to KPe.019:

KPe.019 Korea Complex Equipment Import Corporation
A.k.a.: Korea Equipment & Plant Corporation (KEP)
Address: Central District, Pyongyang
Other Information: E-mail: kepc@co.chesin.com

(e) Add the following new information to KPe.006:

KPe.006 Korea Hyoksin Trading Corporation
Other Information: E-mail: rbc635@co.chesin.com

Recommendation 5
Updates to the list of prohibited items

The Panel recommends that the Committee add the following to the list of ballistic missile-related items (S/2014/253):

(a) Unmanned aerial vehicles with reconnaissance capabilities, having an autonomous flight control and navigation capability (e.g. an autopilot with an inertial navigation system);

(b) Any related systems, equipment and components, including systems for navigation, attitude, guidance or control, specially designed to be integrated into unmanned aerial vehicles, as specified in (a).

Recommendation 6
Asset freeze

(a) The Panel recommends that the Chair of the Committee share with all Member States the letter to Mexico of 6 May 2015 in which it was stated that the *Mu Du Bong* was an asset of OMM and was to be frozen;

(b) To ensure the effective implementation by Member States of their obligations with regard to the asset freeze and financial measures, the Panel recommends that the Committee make the following information widely available in an implementation assistance notice:

> (i) The Committee clarifies that the measures imposed under paragraph 8 (d) of resolution 1718 (2006) and paragraphs 8 and 11 of resolution 2094 (2013) apply also to any financial or other asset or resources *that a State determines* could contribute to the activities prohibited under the resolutions or to the evasion of the measures imposed under the resolutions;
>
> (ii) The Committee clarifies that it considers "assets" and "resources" to include assets of any kind, including vessels, and therefore that vessels owned and/or controlled by designated entities should be frozen by relevant Member States;
>
> (iii) The Committee reaffirms that the Democratic People's Republic of Korea is also bound by the measures imposed under paragraph 11 of resolution 2094 (2013), by which the transfer of any assets or resources from a designated entity/individual of the Democratic People's Republic of Korea to another entity or individual of the Democratic People's Republic of Korea was prohibited;
>
> (iv) As part of the implementation of the asset freeze, the Committee clarifies that Member States may decide to take control of the frozen asset or resources as a means to protect against flight, in accordance with their respective legal processes (pursuant to paragraph 8 (d) of resolution 1718 (2006) and paragraphs 8 and 11 of resolution 2094 (2013));

(c) The Panel recommends that the Committee propose to the Security Council the following:

> (i) That it require any Member State, when implementing the measures imposed under paragraph 8 (d) of resolution 1718 (2006) or paragraphs 8 and 11 of resolution 2094 (2013), to promptly submit reports containing relevant details to the Committee on the freezing of financial or other assets or resources or the prevention of the transfer of such assets or resources;

(ii) That it decide that States shall communicate to the Committee any information available on transfers of aircraft or vessels from the Democratic People's Republic of Korea to other companies that may have been undertaken in order to evade the sanctions or in violating the provisions of resolutions, including renaming or reregistering of aircraft, vessels or ships, and that it request the Committee to make that information widely available.

Recommendation 7
Designations

In accordance with paragraph 12 of resolution 2087 (2013) and paragraph 27 of resolution 2094 (2013), the Panel recommends that the Committee designate individuals and entities that have violated the relevant resolutions and/or have assisted in the evasion of sanctions (see confidential annex 109).

B. Recommendations to Member States

Recommendation 8
Paragraph 22 of resolution 2094 (2013)

Member States should exercise due diligence, pursuant to Implementation Assistance Notice No. 4, regarding the export to the Democratic People's Republic of Korea of commercial unmanned aerial vehicles of ranges below 300 km with reconnaissance capabilities, given their potential use in military applications.

Recommendation 9
Paragraph 9 of resolution 1874 (2009)

Member States should pay particular attention to the export of technical training, advice, services or assistance relating to the provision, manufacture, maintenance or use of all arms or related materiel to the Democratic People's Republic of Korea.

Recommendation 10
Paragraph 22 of resolution 2094 (2013)

Member States should exercise enhanced vigilance over exports to the Democratic People's Republic of Korea of the following items:

(a) Commercial trucks that could be converted for use as military vehicles or arms and related materiel;

(b) Commercial items that could contribute to the submarine-based ballistic missile programme, including subsystems and components, in particular electric motors, lead acid batteries and associated charging systems and sonar technology;

(c) Maritime electronics (radars, sonars, compasses and the like) that can be used for naval vessels.

Recommendation 11
Reporting obligations

Member States should report to the Committee information at their disposal on attempted violations and measures taken in line with the implementation of the resolutions.

Annex 1 : Ongoing Investigations

Case 1. Shipments of spare parts and equipment for submarines and military boats brokered by Green Pine from Austria to Angola and Vietnam

1. The Panel continued its investigation of two incidents involving Green Pine Associated Corporation (designated on 2 May 2012 as a primary arms dealer)[1]: two July 2011 deliveries of equipment and spare parts for military patrol boats to Angola and a February 2011 air shipment of submarine parts inspected in Taipei.[2] These consignments were shipped from Vienna by an Austrian national, Mr. Josef Schwarz through his company, Schwarz Motorbootservice & Handel GmbH. Mr. Schwartz had engaged in many previous trades with the Democratic People's Republic of Korea including violations and attempted violations of the luxury goods bans.[3]

2. The Panel confirmed that Mr. Schwarz acted on behalf of and assisted Green Pine in the evasion of the sanctions by acquiring and transferring arms and related materiel in violation of paragraph 8 (b) of resolution 1718 (2006) and paragraph 9 of resolution 1874 (2009).

3. As the items in the shipment were parts for submarines and military patrol boats, the Panel considers them arms and related materiel. Member States are prohibited from procuring from the Democratic People's Republic of Korea all arms and related materiel, whether or not originating in the territory of the country.[4]

4. The Panel notes that some Member States interpret the resolutions as only prohibiting the transfer of arms procured from North Korea, and not those brokered by North Korean entities but originating in other countries. The Panel recalls that paragraph 7 of resolution 2094 reaffirmed the prohibition of brokering or other intermediary services.

5. The Panel recommends that Member States ensure that all military-to-military cooperation with the Democratic People's Republic of Korea complies fully with the resolutions, in accordance with paragraph 11 of the Committee's IAN No. 5. The Panel further recalls paragraph 24 of resolution 2094 (2013), which calls upon States to exercise enhanced vigilance over the country's diplomatic personnel, given the key role played by the diplomats in promoting Green Pine's business activities abroad.

6. Green Pine had customers in Africa and Asia, procured arms and related materiel from the United States and Europe, and routed all shipments though Asia. Many of the countries with which it did business had long-term military-to-military cooperation with some States to evade sanctions. Green Pine also embedded its representatives within Democratic People's Republic of Korea's embassies under aliases in a neighbouring country. Green Pine further evaded States' export regulations by operating under the cover of Mr. Schwartz's company.

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[1] S/2012/287.

[2] S/2015/131, paras. 81-83.

[3] The export of eight Mercedes Benz vehicles from Austria 2007 - 2008, attempted export of two luxury yachts from Italy in 2009. See, S/2012/422, paras. 84-85; and EU Regulation, No 1355/2011.

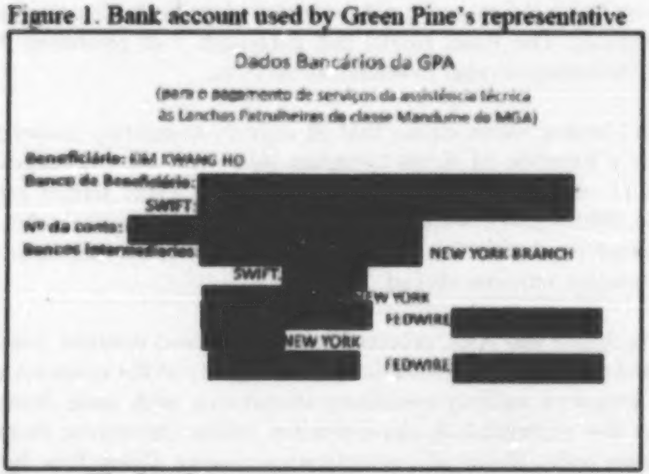
[4] Pursuant to paragraph 8 (b) of resolution 1718 (2006) and paragraph 9 of resolution 1874 (2009).

7. The July 2011 shipments were shipped from Vienna to a Luanda-based military company, Simportex E.P., as part of a 2 September 2009 contract with Green Pine relating to its provision of technical assistance for Mandume-class patrol boats (e.g. maintenance, repairs and replacement of parts). The contract expired in January 2012. In cooperation with the Angolan authorities, the Panel found that Green Pine's representative, Mr. Kim Hyok Chan, served as a diplomat in the Embassy of the Democratic People's Republic of Korea in Luanda, and used Schwarz Motorbootservice to procure the items from a European company. Green Pine also operated from this embassy.[5]

8. The February 2011 consignment also originated in Austria. The consignee was a Vietnamese military company, General Army of Economic and Technology (GAET). Green Pine's office in a neighboring country ("Saeng Pil Trading Corporation") was involved in the shipment. The shipment was part of an agreement with GAET on technical training and services for the repair of Yugo class submarines. Mr. Schwartz had also procured items for this cargo from a United States company. The United States had already designated Green Pine at that time.[6]

9. The rerouting of shipments from Vienna through a neighbouring country to other destinations, despite less expensive alternate transportation routes, erased Mr. Schwartz's name from the documents on the final leg of the shipments. Angola provided information to the Panel indicating that Simportex's payments to Green Pine were to be made to a Beijing-based bank account held by an individual named "Kim Kwang Ho," routing through two corresponding banks in New York (figure 1).

Figure 1. Bank account used by Green Pine's representative



Dados Bancários da GPA

(para o pagamento de serviços da assistência técnica
às Lanchas Patrulheiras da classe Mandume do MGA)

Beneficiário: KIM KWANG HO
Banco do Beneficiário: [redacted]
SWIFT: [redacted]
Nº da conta: [redacted]
Bancos Intermediarios [redacted] NEW YORK BRANCH
SWIFT: [redacted]
[redacted]EW YORK
[redacted] FEDWIRE [redacted]
[redacted] NEW YORK
[redacted] FEDWIRE [redacted]

Source: The Panel.

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[5] Email: gpa_angola@yahoo.com.

[6] US Treasury, Fact Sheet, 30 August 2010.

Case 2. Attempted arms transfer to United Arab Emirates

10. The Panel is investigating a United Arab Emirates entity named Al Mutlaq Technology and its representatives, including Mr. Abdulrahman Abdualla Abdulrahman Baqer and associated individuals, over a reported attempt to acquire 100 million USD of arms and related materials from KOMID, as well as this entity's potential past dealings with other Democratic People's Republic of Korea entities. The UAE stated that Al Mutlaq had been investigated and that "Al Mutlaq had requested a 100 million dollar quotation "from an individual named Mr. Yoon Song Kim from North Korea based in China" but that "no relationship between KOMID and Al Mutlaq Technology or Mr. Baqer was detected." The UAE stated that as a precautionary measure Al Mutlaq Technology had been shut down (see annex 104-105).[7]

Case 3. Possible brokering of military communication equipment in Malaysia

11. According to a Member State, a Democratic People's Republic of Korea national, Mr. Pyon Won Gun, was likely working for a Malaysia-based company, Global Communication Co. ("Glocom"), which manufactures and supplies equipment for communication, navigation, command and control for military and para-military organizations. Glocom has reportedly been connected to the Reconnaisance General Bureau (RGB). Furthermore, Mr. Pyon's name is featured in email address on Glocom's online advertisements (figure 2).

12. The Panel has confirmed that no company under the name of Glocom exists at its listed physical address and that another company's information, "International Golden Services Sdn Bhd" (IGS) is listed as Glocom's contacts (figure 3). Mr. Fareeq Qael was listed as ICG's director since January 2013. Mr. Qael removed ICGS from his personal professional profile shortly after he was contacted by the Panel (but has never replied to the Panel). The Panel has also been waiting for a reply from Malaysia since November 2014.

13. The resolutions prohibit brokering by the Democratic People's Republic of Korea of the transfers of all arms and related materiel, as reaffirmed by paragraph 7 of resolution 2094 (2013). The Panel continues to investigate the activities of Glocom and its reported connections to the RGB.

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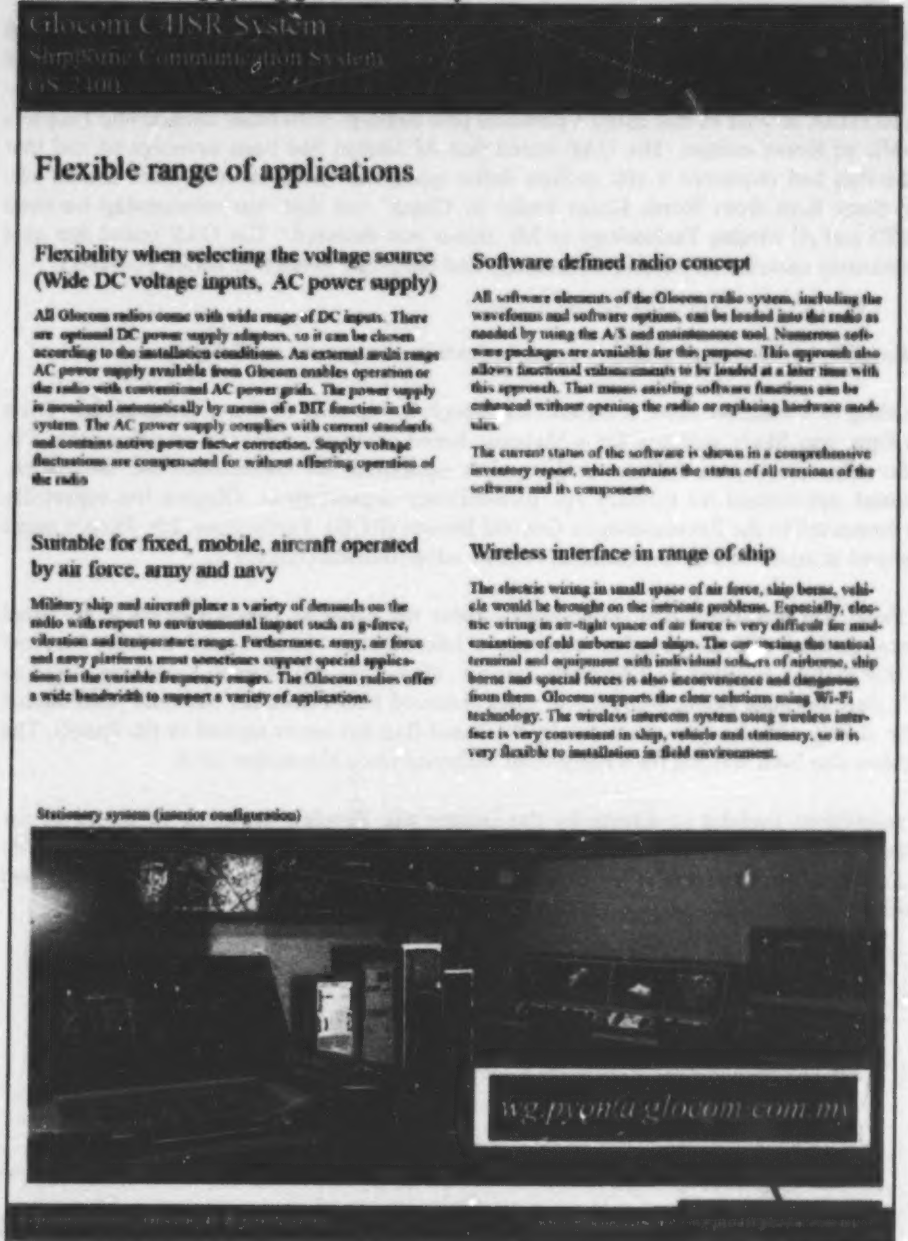
[7] The Panel's meeting with UAE delegation, New York, December 2015.

Figure 2. An example of GLOCOM's product advertisements referring to the contact information of wg.pyon@glocom.com.my



Glocom C4ISR System
Shipborne Communication System
GS-2400

Flexible range of applications

Flexibility when selecting the voltage source (Wide DC voltage inputs, AC power supply)

All Glocom radios come with wide range of DC inputs. There are optional DC power supply adaptors, so it can be chosen according to the installation conditions. An external multi range AC power supply available from Glocom enables operation or the radio with conventional AC power grids. The power supply is monitored automatically by means of a BIT function in the system. The AC power supply complies with current standards and contains active power factor correction. Supply voltage fluctuations are compensated for without affecting operation of the radio

Suitable for fixed, mobile, aircraft operated by air force, army and navy

Military ship and aircraft place a variety of demands on the radio with respect to environmental impact such as g-force, vibration and temperature range. Furthermore, army, air force and navy platforms must sometimes support special applications in the variable frequency ranges. The Glocom radios offer a wide bandwidth to support a variety of applications.

Software defined radio concept

All software elements of the Glocom radio system, including the waveforms and software options, can be loaded into the radio as needed by using the A/S and maintenance tool. Numerous software packages are available for this purpose. This approach also allows functional enhancements to be loaded at a later time with this approach. That means existing software functions can be enhanced without opening the radio or replacing hardware modules.

The current status of the software is shown in a comprehensive inventory report, which contains the status of all versions of the software and its components.

Wireless interface in range of ship

The electric wiring in small space of air force, ship borne, vehicle would be brought on the intricate problems. Especially, electric wiring in air-tight space of air force is very difficult for modernization of old airborne and ships. The connecting the tactical terminal and equipment with individual soldiers of airborne, ship borne and special forces is also inconvenience and dangerous from them. Glocom supports the clear solutions using Wi-Fi technology. The wireless intercom system using wireless interface is very convenient in ship, vehicle and stationary, so it is very flexible to installation in field environment.

Stationary system (interior configuration)

wg.pyon@glocom.com.my

Source: GLOCOM's homepage available at http://glocom.com.my/public/pdf/GS-2400%20Catalogue%20v11e.pdf.

Figure 3. GLOCOM's contact information provided on its website referring to International Golden Services Sdn Bhd

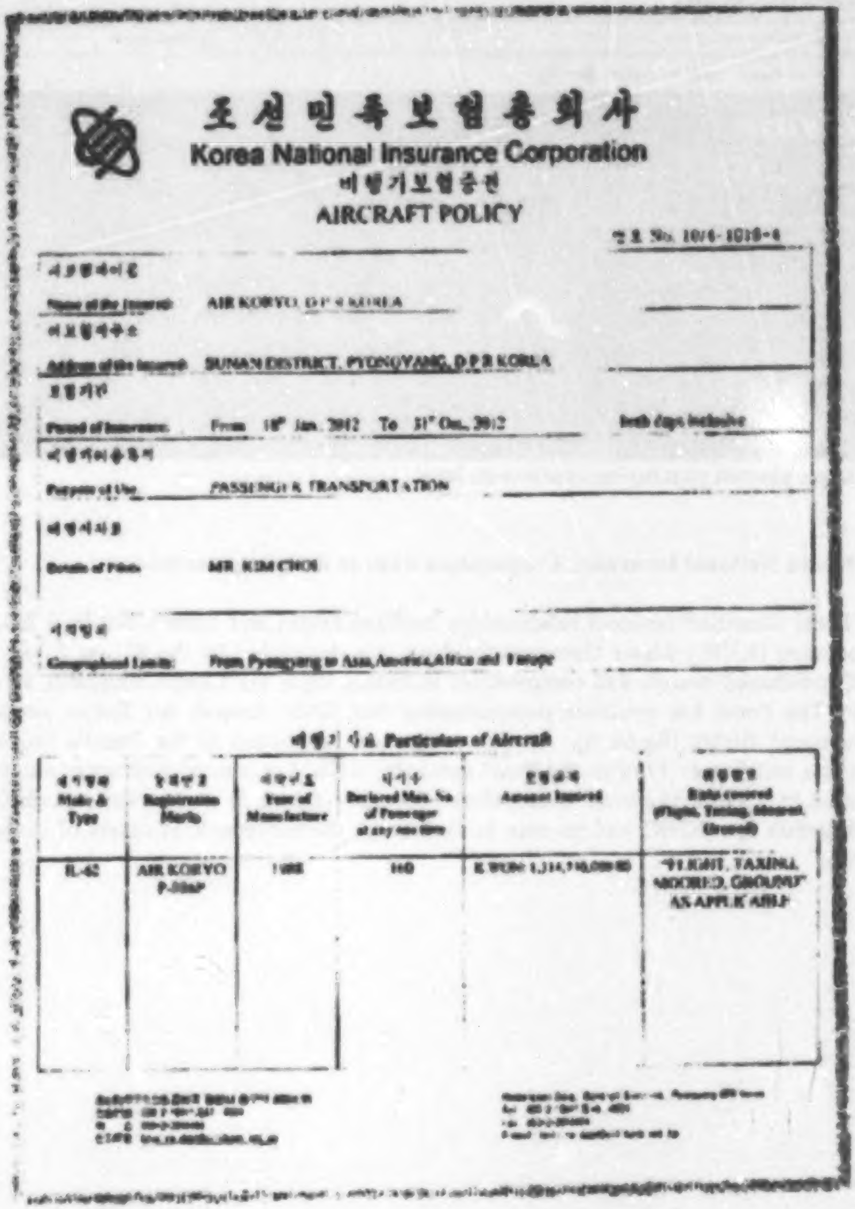
http://glocom.com.my/en/contacts-en.html
Contacts-en
Page▾
Safety▾
Tools▾

Source: http://glocom.com.my/en/contacts-en.html.

Case 4. Korea National Insurance Corporation links to designated entities

14. The Panel identified business relationships between OMM and Korean National Insurance Corporation (KNIC) whose German subsidiary was designated by the EU on 2 July 2015. KNIC purchased vessels and commodities including sugar via Chinpo Shipping, an OMM agent. The Panel has evidence demonstrating that KNIC insures Air Koryo aircraft for international flights (figure 4). Air Koryo has not responded to the Panel's request for insurance certificates. Further, the Panel notes that KNIC has insured both cargo and vessels operated by Ocean Maritime Management Co. Ltd (figure 5) and is thus continuing its investigation into KNIC and its role in facilitating the movement of assets of designated entities.

Figure 4. Korea National Insurance Corporation



조선민족보험총회사

Korea National Insurance Corporation

비행기보험증권

AIRCRAFT POLICY

[illegible] No. 10/4-1010-4

[illegible]

Name of the Insured: AIR KORYO, D.P.R.KOREA

[illegible]

Address of the Insured: SUNAN DISTRICT, PYONGYANG, D.P.R.KOREA

[illegible]

Period of Insurance: From 18th Jan. 2012 To 31st Dec. 2012 both days inclusive

[illegible]

Purpose of Use: PASSENGER TRANSPORTATION

[illegible]

Details of Pilots: MR. KIM CHOL

[illegible]

Geographical Limits: From Pyongyang to Asia,America,Africa and Europe

[illegible] Particulars of Aircraft

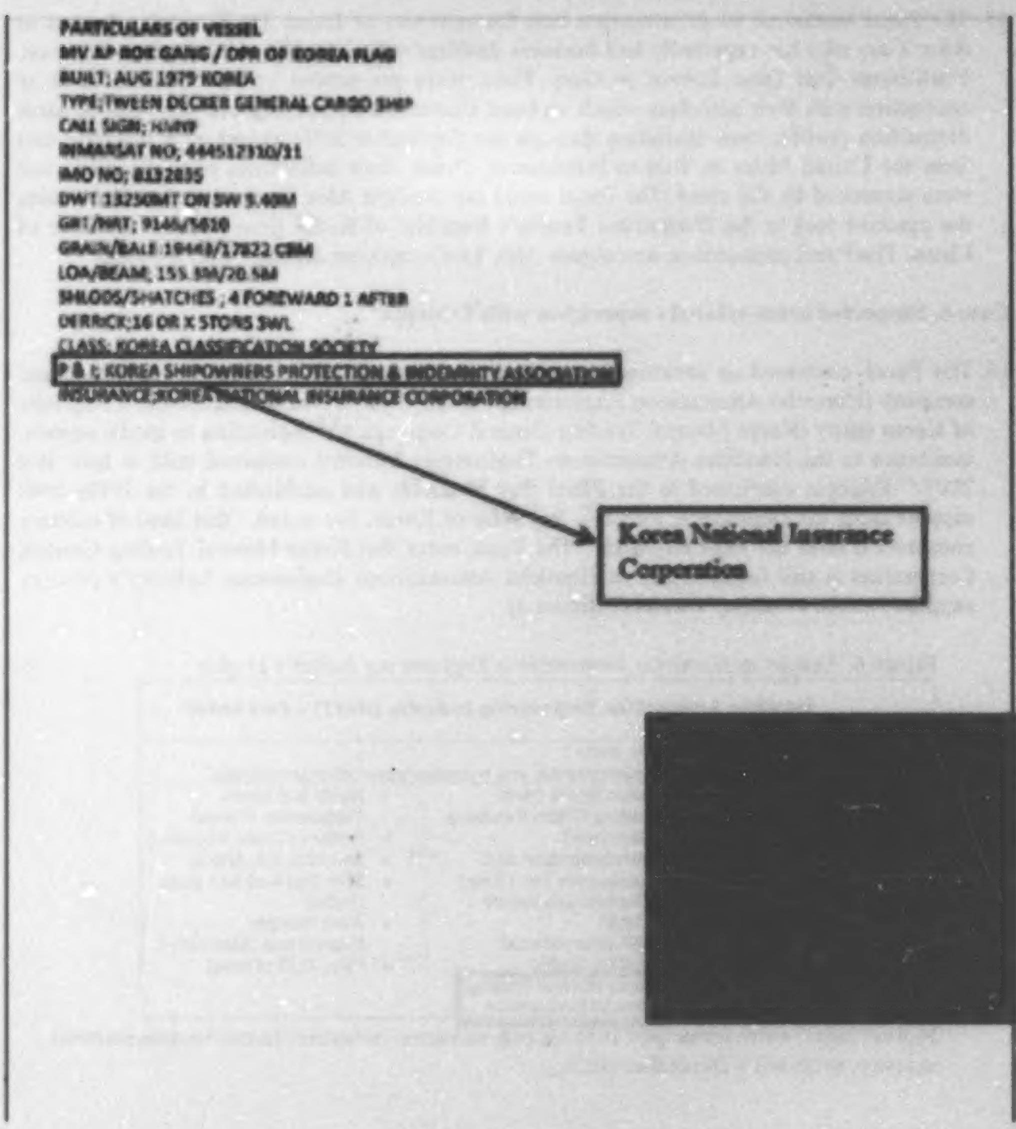
[illegible] Make & Type	[illegible] Registration Marks	[illegible] Year of Manufacture	[illegible] Declared Max. No of Passenger at any one time	[illegible] Amount Insured	[illegible] Risks covered (Flight, Taxing, Moored, Ground)
IL-62	AIR KORYO P-[illegible]	1988	160	K.WON 1,314,710,000.00	"FLIGHT, TAXING, MOORED, GROUND" AS APPLICABLE

[illegible]

[illegible]

Source: The Panel.

Figure 5. Korea National Insurance Corporation insuring Ocean Maritime Management Ltd., vessels



PARTICULARS OF VESSEL
MV AP ROK GANG / DPR OF KOREA FLAG
BUILT; AUG 1979 KOREA
TYPE;TWEEN DECKER GENERAL CARGO SHIP
CALL SIGN; HMYP
INMARSAT NO; 444512310/11
IMO NO; 8132835
DWT 13250MT ON SW 9.40M
GRT/NRT; 9146/5610
GRAIN/BALE 19448/17822 CBM
LOA/BEAM; 155.3M/20.5M
SHLODS/SHATCHES ; 4 FOREWARD 1 AFTER
DERRICK;16 OR X 5TONS SWL
CLASS; KOREA CLASSIFICATION SOCIETY
P & I; KOREA SHIPOWNERS PROTECTION & INDEMNITY ASSOCIATION
INSURANCE;KOREA NATIONAL INSURANCE CORPORATION

Korea National Insurance Corporation

[redacted]

Source: The Panel.

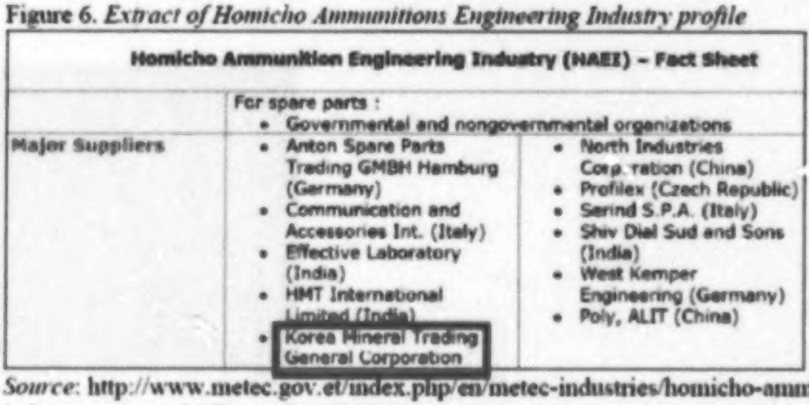
Case 5. September 2009 export of machine tool

15. The Panel continued its investigation into the activities of Hsien Tai Tsai (also known as Alex Tsai) who has reportedly had business dealings with KOMID. Alex Tsai and his son Yueh-Hsun Tsai (also known as Gary Tsai), were prosecuted by the United States in connection with their activities which violated United States laws against weapons of mass destruction proliferation, including through the September 2009 export of a machine tool from the United States to Taiwan Province of China. Both individuals pleaded guilty, and were sentenced by the court. The Panel could not confirm Alex Tsai's intention to re-route the machine tool to the Democratic People's Republic of Korea from Taiwan Province of China. The Panel continues to investigate Alex Tsai's reported dealings with KOMID.

Case 6. Suspected arms-related cooperation with Ethiopia[8]

16. The Panel continued to investigate past military cooperation between an Ethiopia-based company (Homicho Ammunition Engineering Industry) and a Democratic People's Republic of Korea entity (Korea Mineral Trading General Corporation).[9] According to media reports, assistance to the Homicho Ammunitions Engineering Industry continued until at least late 2007.[10] Ethiopia confirmed to the Panel that Homicho was established in the 1980s with support from the Democratic People's Republic of Korea, but stated, "that kind of military cooperation does not exist anymore." The Panel notes that Korea Mineral Trading General Corporation is still listed as one of Homicho Ammunitions Engineering Industry's primary suppliers on the company's website (figure 6).

Figure 6. *Extract of Homicho Ammunitions Engineering Industry profile*



Homicho Ammunition Engineering Industry (HAEI) – Fact Sheet		
	For spare parts : • Governmental and nongovernmental organizations	
Major Suppliers	• Anton Spare Parts Trading GMBH Hamburg (Germany) • Communication and Accessories Int. (Italy) • Effective Laboratory (India) • HMT International Limited (India) • Korea Mineral Trading General Corporation	• North Industries Corporation (China) • Profilex (Czech Republic) • Serind S.P.A. (Italy) • Shiv Dial Sud and Sons (India) • West Kemper Engineering (Germany) • Poly, ALIT (China)

Source: http://www.metec.gov.et/index.php/en/metec-industries/homicho-ammunition-industry, accessed 8 December 2015.

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[8] S/2014/147, paras. 100-101 and S/2015, para. 88.

[9] See S/2015/131, para. 88 and S/2014/147, paras. 100-101.

[10] Andrea Berger, "Is Ethiopia Violating United Nations Sanctions against North Korea: New Evidence Uncovered", 38 North, 23 December 2014, available from http://38north.org/2014/12/aberger122314/

Annex 2 : Correspondence with Member States

Country	Number of letters sent	Responses received	No responses
Albania	1	1	0
Angola	4	3	1
Austria	1	(one letter for previous inquiries)	1
Bangladesh	6	6	0
Belgium	1	1	0
Brazil	3	3	0
Cambodia	7	0	7
Cameroon	1	0	1
Canada	1	1	0
China	8	5	3
Cuba	3	0	3
Côte d'Ivoire	1	0	1
Czech Republic	1	1	0
Denmark	3	0	3
Egypt	4	3	1
Eritrea	1	1	0
Ethiopia	5	1	4
Estonia	2	0	2
Fiji	1	1	0
France	6	1	5
Germany	8	4	4
Ghana	5	1	4
Greece	2	2	0
Guinea	1	0	1
India	6	4	2
Indonesia	4	0	4
Iran	1	0	1
Israel	6	4	2
Italy	5	4	1
Japan	4	4	0
Kazakhstan	2	2	0
Kiribati	5	5	0
Latvia	1	1 (plus one letter for previous inquiry)	0
Lebanon	1	1	0
Malaysia	6	0	6
Mexico	4	4	0
Mongolia	2	2	0
Morocco	1	1	0

Mozambique	2	0	2
Myanmar	4	3	1
Nigeria	1	0	1
Pakistan	1	1	0
Panama	3	1	2
Paraguay	1	1	0
Peru	1	1	0
Philippines	7	4	3
Poland	1	1	0
Qatar	3	3	0
Republic of Korea	4	4	0
Russia	5	5	0
Saudi Arabia	3	0	3
Senegal	1	1	0
Sierra Leone	4	0	4
Singapore	5	5	0
Solomon Islands	1	0	1
South Africa	3	1	2
Spain	6	5	1
Sudan	2	0	2
Switzerland	3	3	0
Tanzania	1	0	1
Thailand	8	4	4
Togo	1	0	1
Turkey	1	1	0
Tuvalu	4	4	0
Uganda	6	4	2
Ukraine	4	4	0
United Arab Emirates	2	1 (plus one letter for previous inquiries)	1
United Kingdom	6	6	0
United States	3	1 (plus 2 letters for previous inquiries)	2
Viet Nam	7	5	2
Yemen	1	0	1
TOTAL	229	136 (plus 5 letters for previous inquiries)	93

Source: The Panel

Annex 3 : Member States to submit NIR

Africa

1. Angola
2. Benin
3. Botswana
4. Burundi
5. Cameroon
6. Cape Verde
7. Central African Republic
8. Chad
9. Comoros
10. Congo
11. Côte D'Ivoire
12. Democratic Republic c Congo
13. Equatorial Guinea
14. Eritrea
15. Ethiopia
16. Gabon
17. Gambia
18. Ghana
19. Guinea
20. Guinea Bissau
21. Kenya
22. Lesotho
23. Liberia
24. Libya
25. Madagascar
26. Malawi
27. Mali
28. Mauritania
29. Mauritius
30. Mozambique
31. Niger
32. Rwanda
33. Sao Tome and Principe
34. Senegal
35. Seychelles
36. Sierra Leone
37. Somalia
38. South Sudan
39. Sudan
40. Swaziland
41. Tanzania
42. Togo
43. Tunisia
44. Zambia
45. Zimbabwe

Americas

46. Antigua and Barbuda
47. Bahamas
48. Barbados
49. Belize
50. Bolivia
51. Costa Rica
52. Dominica
53. El Salvador
54. Grenada
55. Haiti
56. Honduras
57. Jamaica
58. Nicaragua
59. Saint Kitts and Nevis
60. Saint Lucia
61. Saint Vincent and the Grenadines
62. Suriname
63. Trinidad and Tobago
64. Venezuela

Asia

65. Afghanistan
66. Bangladesh
67. Bhutan
68. Cambodia
69. Iran
70. Iraq
71. Malaysia
72. Myanmar
73. Nepal
74. Oman
75. Syria
76. Tajikistan
77. Timor-Leste
78. Yemen

Europe

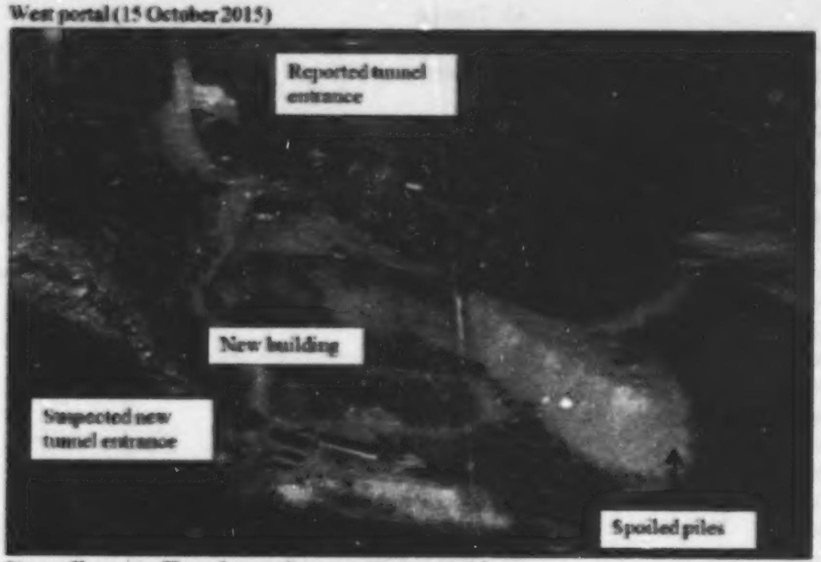
79. Bosnia and Herzegovina

Oceania

80. Fiji
81. Kiribati
82. Micronesia
83. Nauru
84. Palau
85. Papua New Guinea
86. Samoa
87. Solomon Islands
88. Tonga
89. Tuvalu
90. Vanuatu

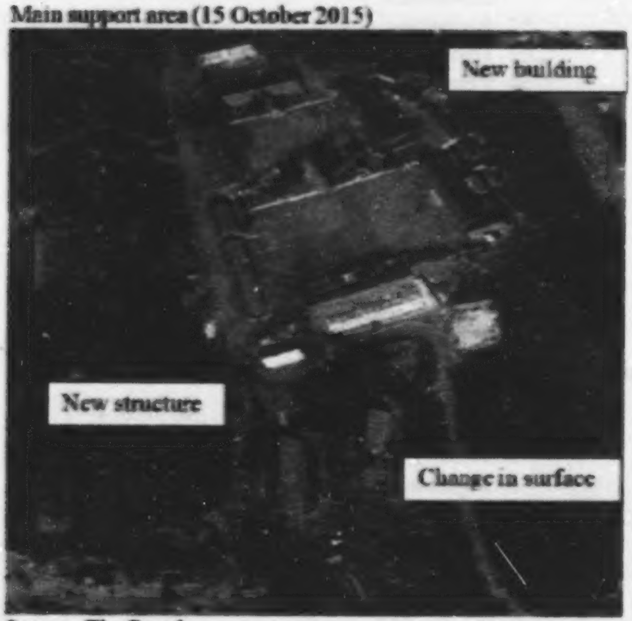
Annex 4 : Pyunggye-ri Nuclear test site

West portal (15 October 2015)


Reported tunnel entrance
New building
Suspected new tunnel entrance
Spoiled piles

Signs of heavy traffic and grounding activities are visible

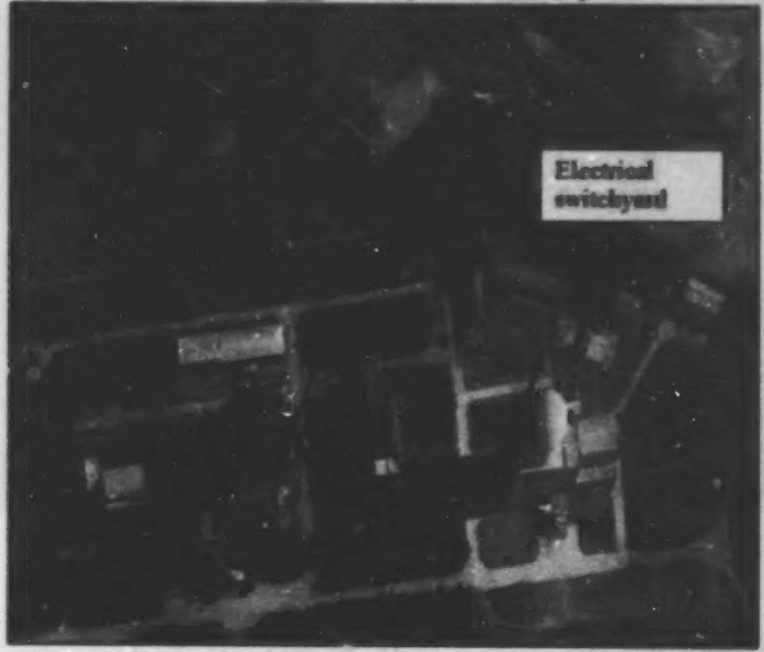
Main support area (15 October 2015)


New building
New structure
Change in surface

Source: The Panel

Annex 5 : Yongbyon nuclear complex

Light water reactor and 5 MWe reactor (15 October 2015)


Electrical switchyard

5MWe reactor (15 July 2015)

Vehicle activities

Source: The Panel

Areas near the possible fuel assembly building (15 October 2015)

North side of the possible fuel assembly building

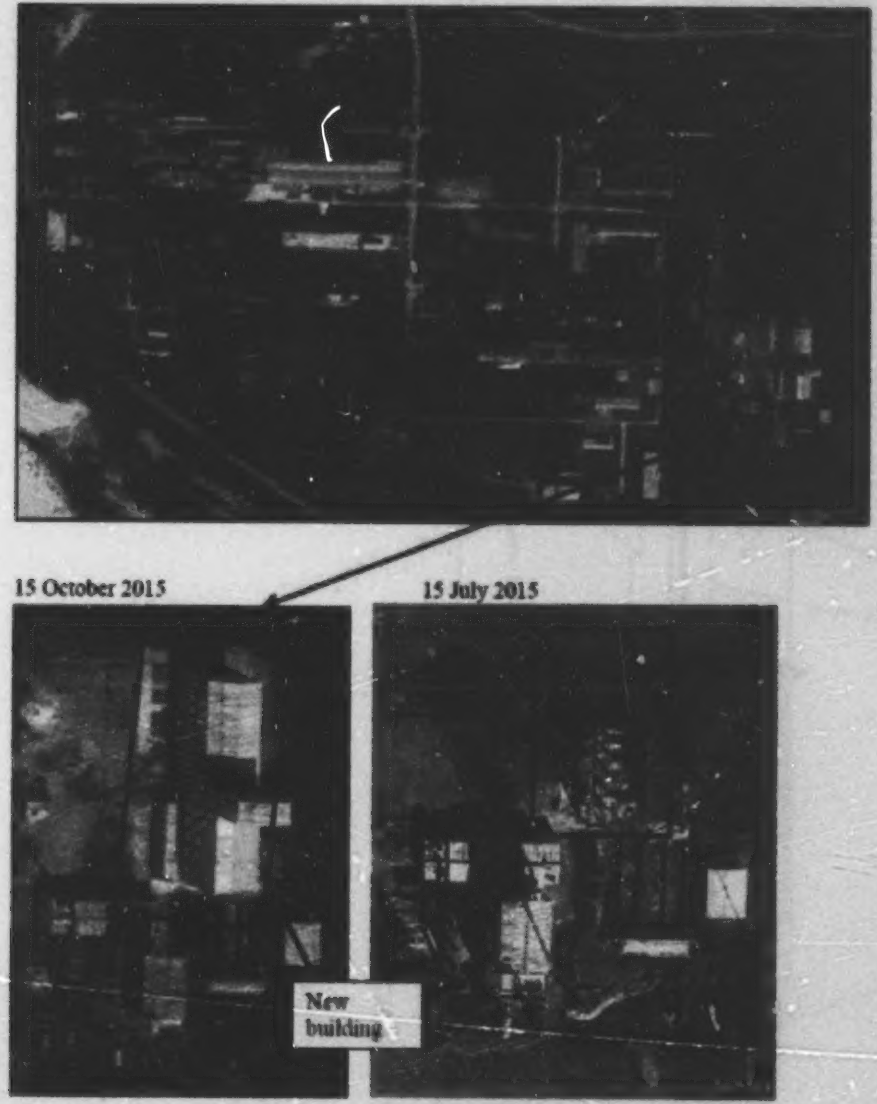
15 October 2015

15 July 2015

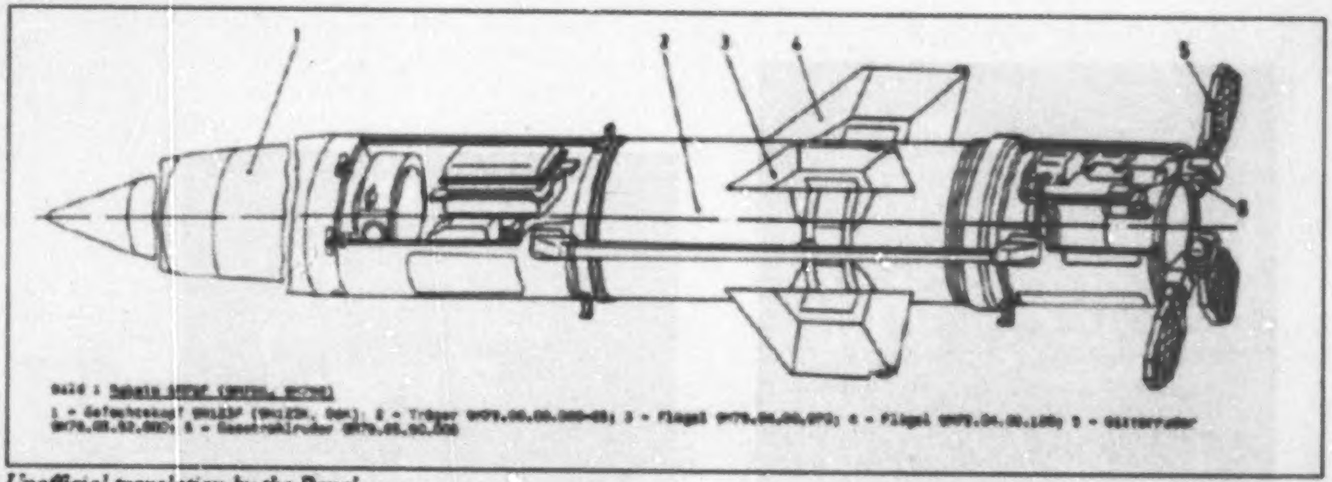
New construction
New roof

Source: The Panel

Fuel fabrication plant (uranium enrichment facility)

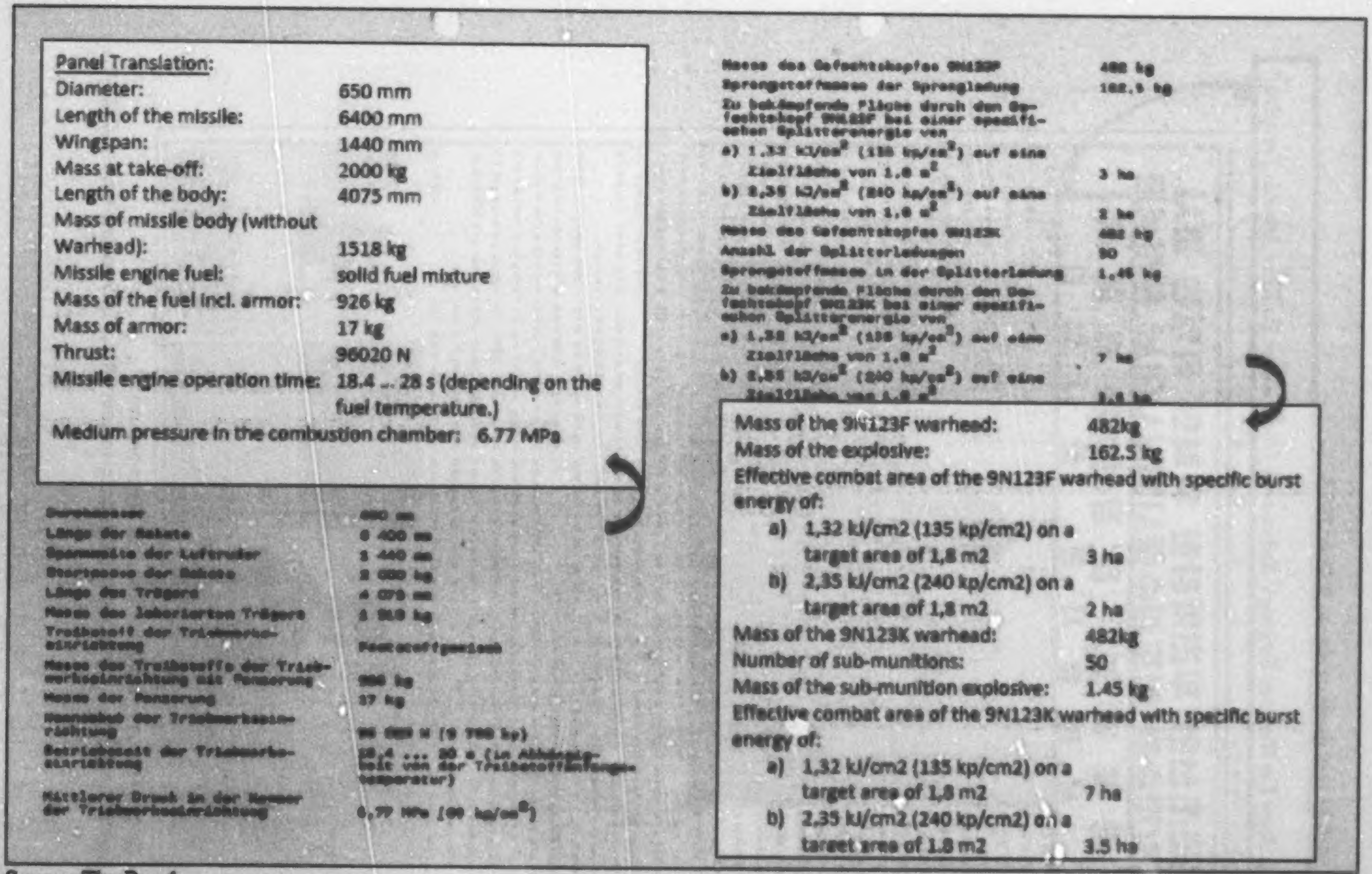

15 October 2015
15 July 2015
New building

Annex 6 : 9M79 missile main characteristics



Unofficial translation by the Panel

1: Warhead (9N123F or 9N123K)
2: Body
3: Fins
4: Fins
5: Aerodynamic rudders
6: Gas-dynamic rudders



Panel Translation:

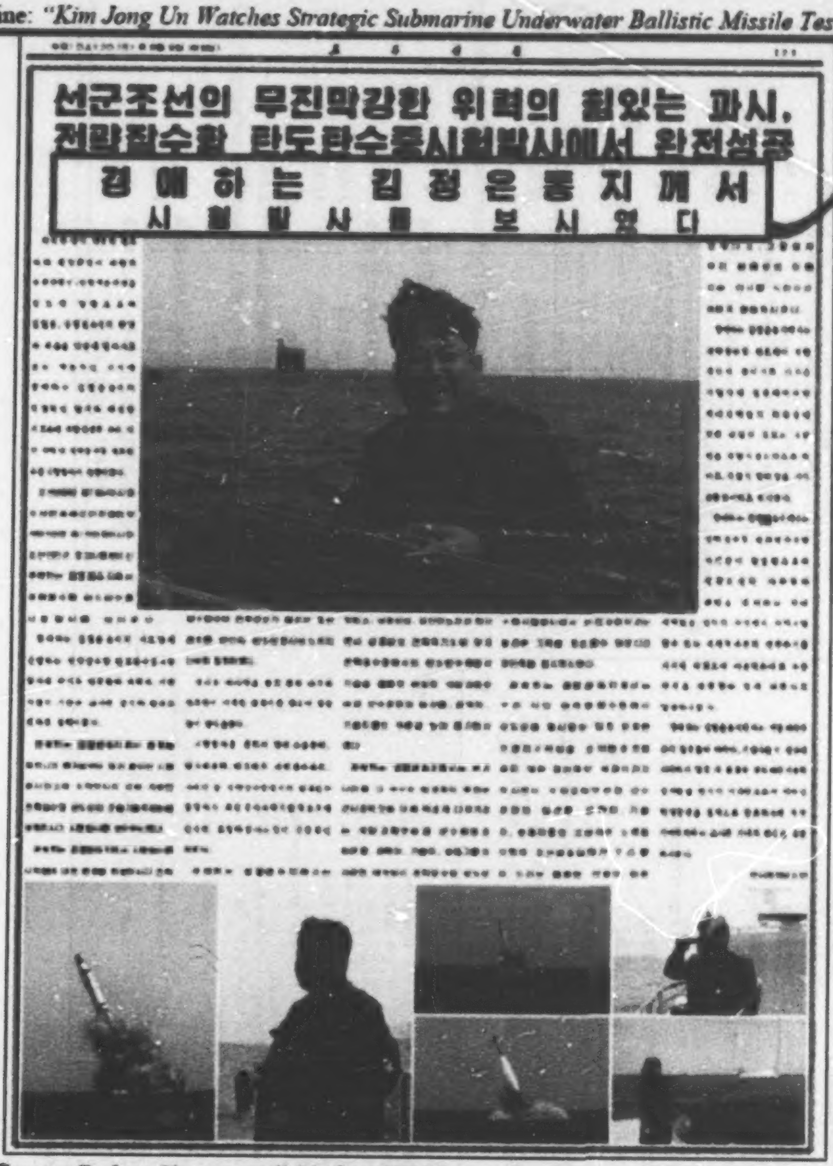
Diameter:	650 mm
Length of the missile:	6400 mm
Wingspan:	1440 mm
Mass at take-off:	2000 kg
Length of the body:	4075 mm
Mass of missile body (without Warhead):	1518 kg
Missile engine fuel:	solid fuel mixture
Mass of the fuel incl. armor:	926 kg
Mass of armor:	17 kg
Thrust:	96020 N
Missile engine operation time:	18.4 ... 28 s (depending on the fuel temperature.)
Medium pressure in the combustion chamber:	6.77 MPa

Mass of the 9N123F warhead:	482kg
Mass of the explosive:	162.5 kg
Effective combat area of the 9N123F warhead with specific burst energy of:	
a) 1,32 kJ/cm2 (135 kp/cm2) on a target area of 1,8 m2	3 ha
b) 2,35 kJ/cm2 (240 kp/cm2) on a target area of 1,8 m2	2 ha
Mass of the 9N123K warhead:	482kg
Number of sub-munitions:	50
Mass of the sub-munition explosive:	1.45 kg
Effective combat area of the 9N123K warhead with specific burst energy of:	
a) 1,32 kJ/cm2 (135 kp/cm2) on a target area of 1,8 m2	7 ha
b) 2,35 kJ/cm2 (240 kp/cm2) on a target area of 1.8 m2	3.5 ha

Source: The Panel.

Annex 7 : SLBM test media release 9 May 2015

Headline: *"Kim Jong Un Watches Strategic Submarine Underwater Ballistic Missile Test-fire"*

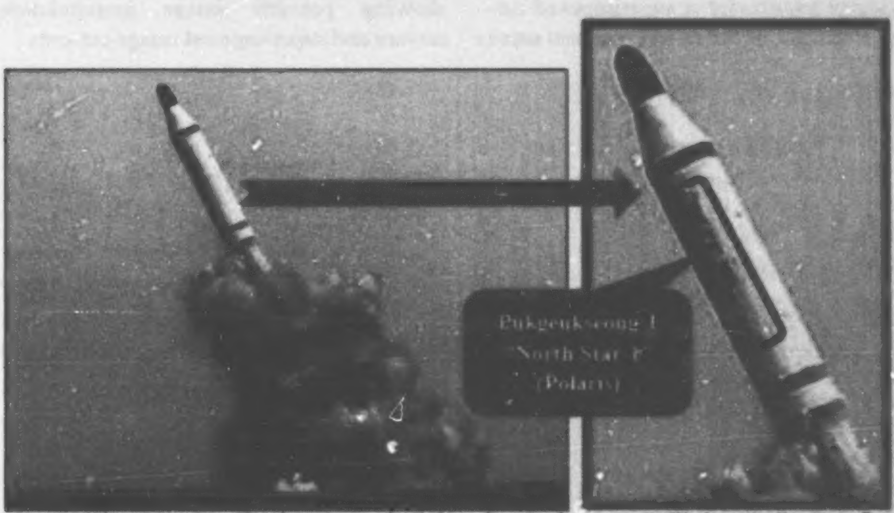


선군조선의 무진막강한 위력의 힘있는 과시,
전략잠수함 탄도탄수중시험발사에서 완전성공

경애하는 김정은동지께서
시험발사를 보시였다

Source: Rodong Sinmun, available from NK News archive at http://kcnawatch.nknews.org/pub/assets/pdf/rodong-sinmun/2015/05/09/rodong-sinmun-2015-05-09.pdf.

Annex 8 : Enlargement of the SLBM



Source: Kim Jong Un Watches Strategic Submarine Underwater Ballistic Missile Test-fire, Rodong Sinmun, 9 May 2015.

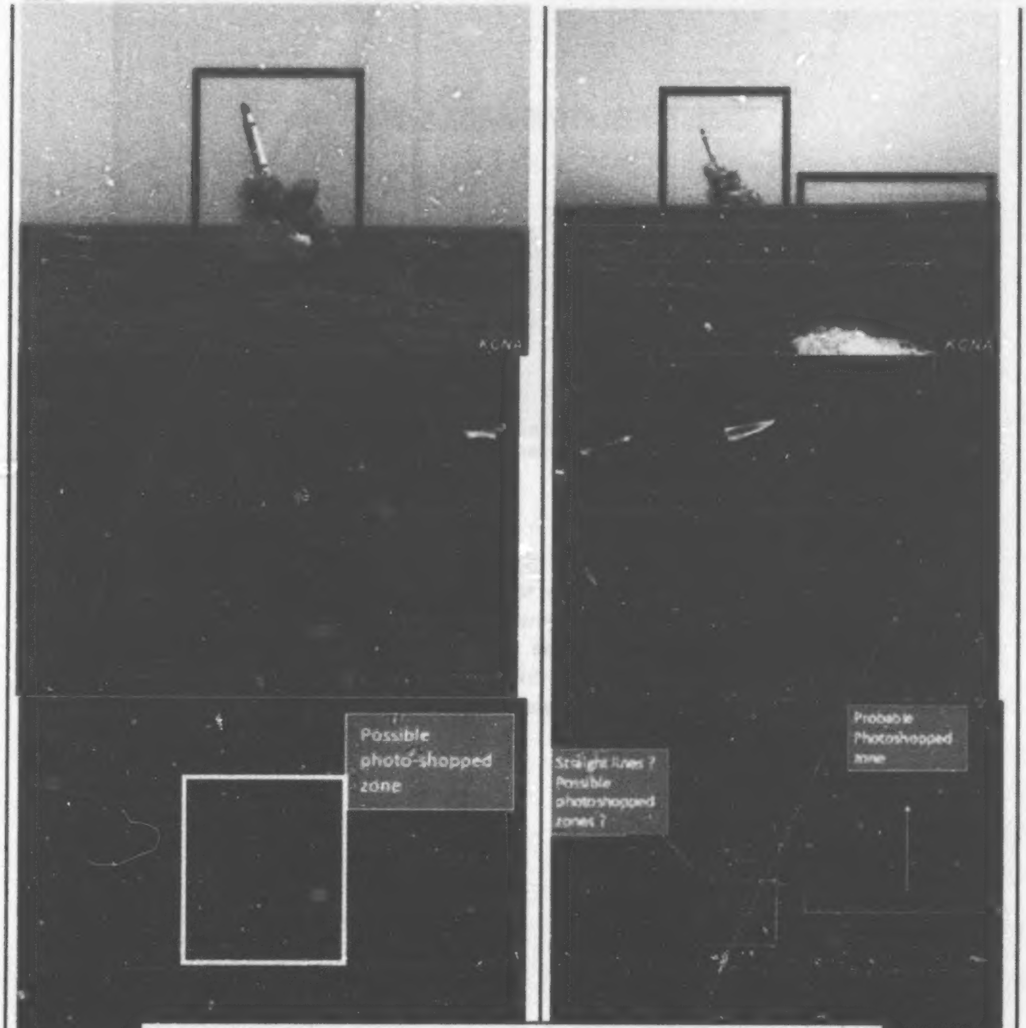
Official test images

The Panel is of the view that several of the 8 May 2015 test official photographs were manipulated and that images unrelated to the test may have been inserted (see annex 9). While the additional release of test video footage showed the missile emerged from the sea, it is unclear whether the ejection was from a submarine or a submerged platform. Without underwater footage, the launch platform could not be verified with certainty by the Panel. However, two Member States reported that the SLBM was launched from a submarine.

Annex 9 : Error-level analysis

Image 1: Note the box-like straight-edges showing image adjustment or superimposed cut-outs of other images of the missile exhaust smoke area

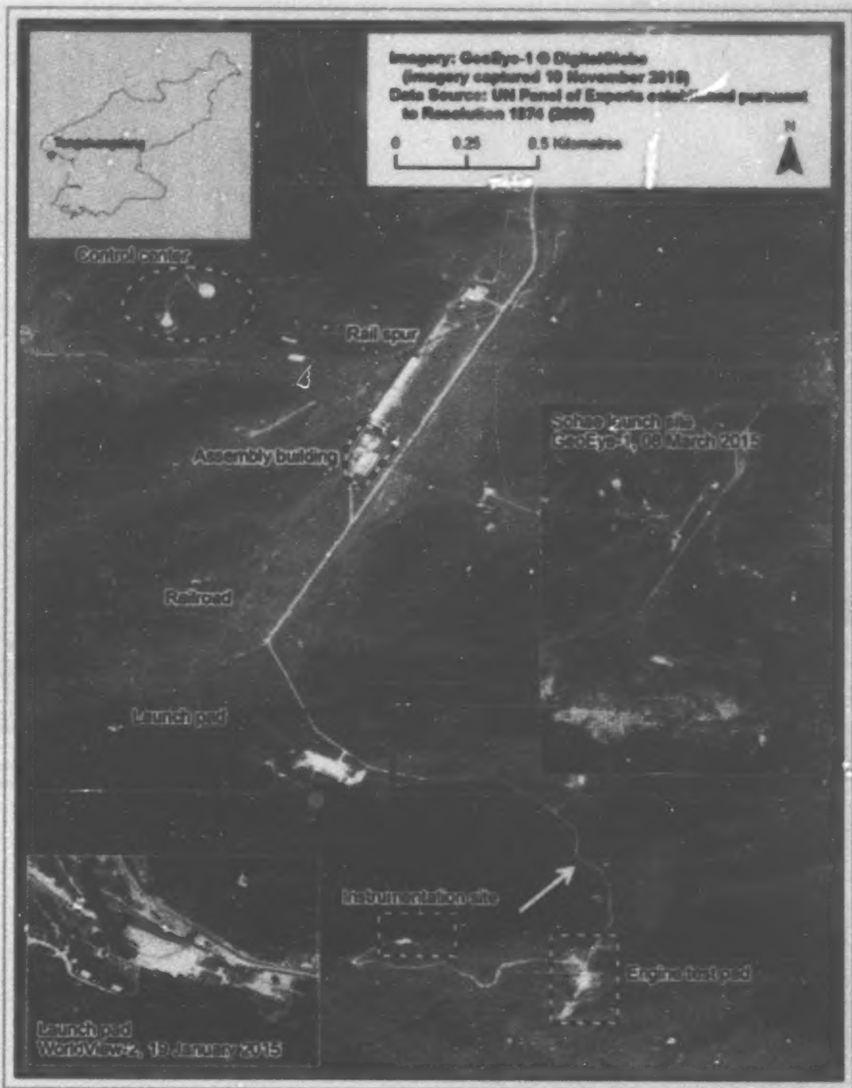
Image 2: Note the squares and rectangles showing possible image manipulation, erasure and superimposed image cut-outs


KCNA
Possible photo-shopped zone
KCNA
Straight lines ? Possible photoshopped zones ?
Probable Photoshopped zone

KCNA images released by the DPRK of the SLBM test on 8 May 2015

Annex 10 : Sohae Overview

Tongchang-ri (Sohae launch site)

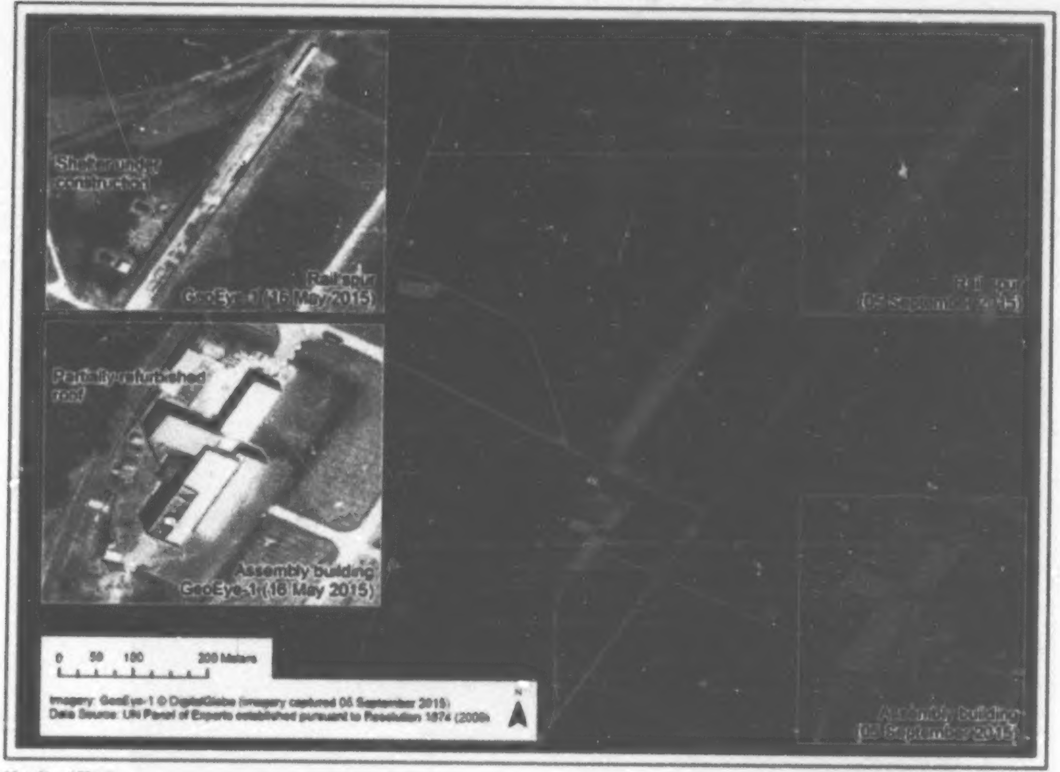

Tongchangdong
Imagery: GeoEye-1 © DigitalGlobe
(imagery captured 10 November 2015)
Data Source: UN Panel of Experts established pursuant
to Resolution 1874 (2009)
0
0.25
0.5 Kilometres
N
Control center
Rail spur
Assembly building
Railroad
Launch pad
Sohae launch site
GeoEye-1, 08 March 2015
Instrumentation site
Engine test pad
Launch pad
WorldView-2, 19 January 2015

Map No. 4551.1
December 2015

Department of Field Support
Geospatial Information Section (formerly Cartographic Section)

Annex 11 : Sohae Assembly Building Area

Tongchang-ri (Assembly Building Area)


Shelter under construction
Rail spur
GeoEye-1 (16 May 2015)
Partially refurbished roof
Assembly building
GeoEye-1 (16 May 2015)
Rail spur
(05 September 2015)
Assembly building
(05 September 2015)
0 50 100 200 Meters
N

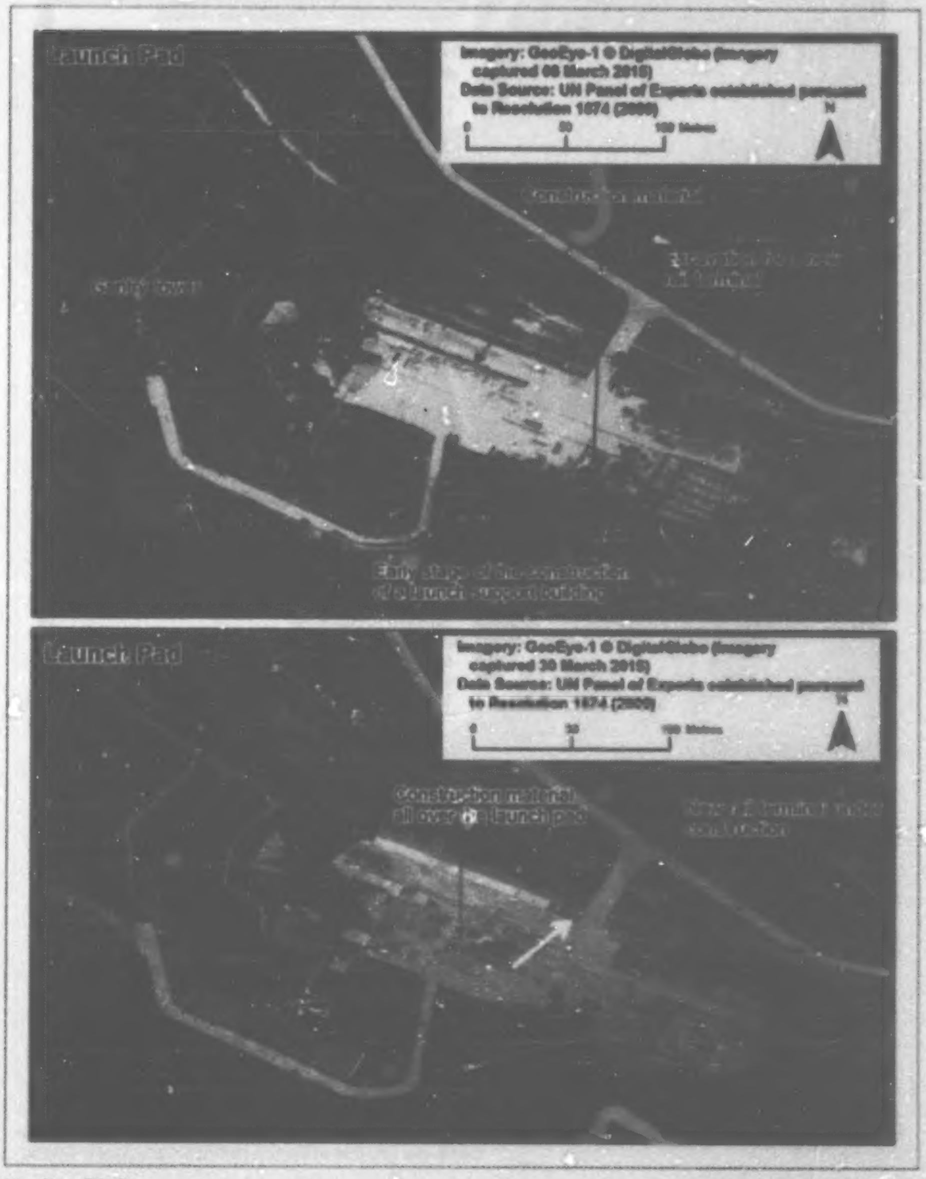
Imagery: GeoEye-1 © DigitalGlobe (imagery captured 05 September 2015)
Data Source: UN Panel of Experts established pursuant to Resolution 1874 (2009)

Map No. 4551.2
January 2016

Department of Field Support
Geospatial Information Section (formerly Cartographic Section)

Annex 12 : Sohae Launch Pad

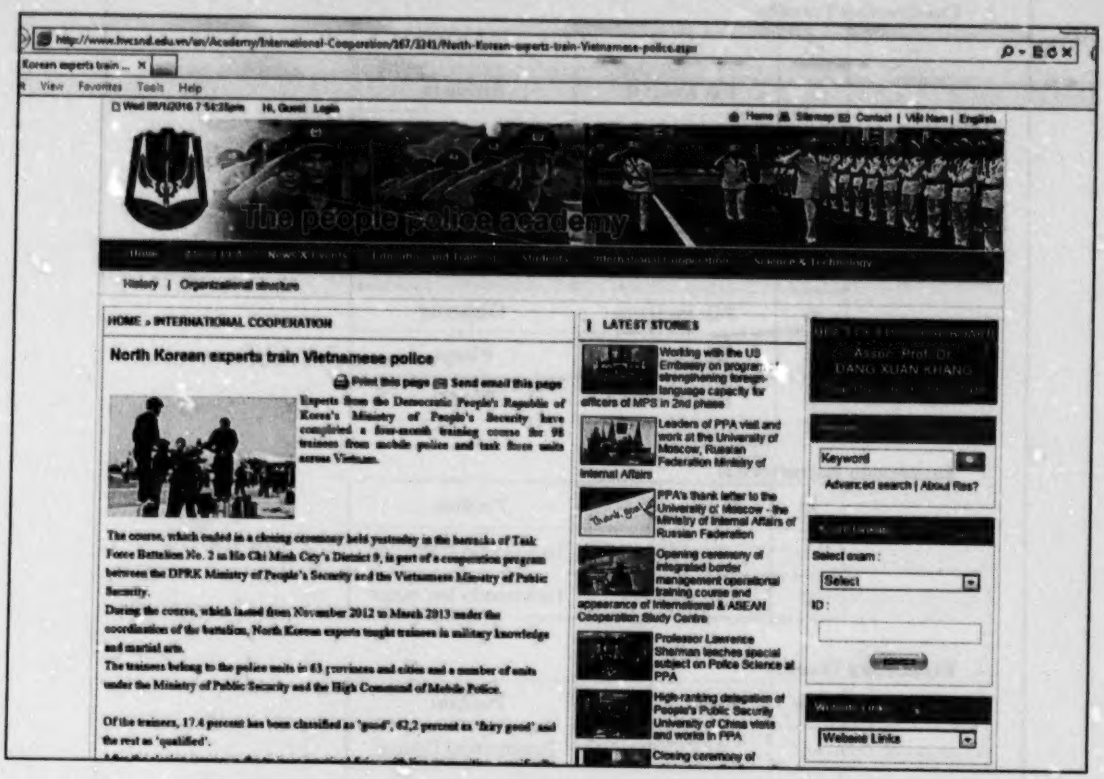
Tongchang-ri Launch Pad


Launch Pad
Imagery: GeoEye-1 © DigitalGlobe (Imagery captured 08 March 2015)
Data Source: UN Panel of Experts established pursuant to Resolution 1874 (2009)
0
50
100 Metres
N
Construction material
Expansion for a new rail terminal
Gantry tower
Early stage of the construction of a launch support building
Launch Pad
Imagery: GeoEye-1 © DigitalGlobe (Imagery captured 30 March 2015)
Data Source: UN Panel of Experts established pursuant to Resolution 1874 (2009)
0
50
100 Metres
N
Construction material all over the launch pad
New rail terminal under construction

Map No. 4551.3
December 2015

Department of Field Support
Geospatial Information Section (formerly Cartographic Section)

Annex 74 : Viet Nam's People's Police Academy website reporting the training


http://www.hvcsnd.edu.vn/en/Academy/International-Cooperation/167/3241/North-Korean-experts-train-Vietnamese-police.aspx
Korean experts train ...
View Favorites Tools Help
Wed 09/1/2016 7:54:25pm Hi, Guest Login
Home Sitemap Contact | Việt Nam | English
The people police academy
Home
News & Events
Education and Training
Students
International Cooperation
Science & Technology
History | Organizational structure
HOME » INTERNATIONAL COOPERATION
Print this page Send email this page
LATEST STORIES
Assoc. Prof. Dr. DANG XUAN KHANG
Keyword
Advanced search | About Res?
Select exam :
Select
ID :
Website Links

North Korean experts train Vietnamese police

Experts from the Democratic People's Republic of Korea's Ministry of People's Security have completed a four-month training course for 98 trainees from mobile police and task force units across Vietnam.

The course, which ended in a closing ceremony held yesterday in the barracks of Task Force Battalion No. 2 in Ho Chi Minh City's District 9, is part of a cooperation program between the DPRK Ministry of People's Security and the Vietnamese Ministry of Public Security.

During the course, which lasted from November 2012 to March 2013 under the coordination of the battalion, North Korean experts taught trainees in military knowledge and martial arts.

The trainees belong to the police units in 63 provinces and cities and a number of units under the Ministry of Public Security and the High Command of Mobile Police.

Of the trainees, 17.4 percent has been classified as 'good', 62,2 percent as 'fairy good' and the rest as 'qualified'.

Working with the US Embassy on program of strengthening foreign-language capacity for officers of MPS in 2nd phase

Leaders of PPA visit and work at the University of Moscow, Russian Federation Ministry of Internal Affairs

PPA's thank letter to the University of Moscow - the Ministry of Internal Affairs of Russian Federation

Opening ceremony of integrated border management operational training course and appearance of International & ASEAN Cooperation Study Centre

Professor Lawrence Sherman teaches special subject on Police Science at PPA

High-ranking delegation of People's Public Security University of China visits and works in PPA

Closing ceremony of

Source: http://www.hvcsnd.edu.vn/en/Acedemy/International-Cooperation/167/3241/North-Korean-experts-train-Vietnamese-police.aspx.

Annex 75 : Explanation note on the sanction measures concerning the provision of technical assistance or services related to all arms and related materiel

Pursuant to paragraph 9 of resolution 1874 (2009) superseding paragraph 8 (b) of resolution 1718 (2006), all Member States are prohibited from procuring "**all arms and related materiel**" and transferring from the Democratic People's Republic of Korea of "technical training, advice, services or assistance related to the provision, manufacture, maintenance or use (hereafter "assistance")" of "**such** arms or materiel".

Some Member States interpret that the phrase "**such** arms or materiel" refers only to "**all arms and related materiel" that were "procured from the DPRK"**. Thus, in their interpretations, the resolutions do not prohibit the provision by the Democratic People's Republic of Korea of assistance related to arms and related material as long as they were not procured from this country.

Paragraph 8 (c) of resolution 1718 (2006) also refers to similar measures: all Member States are prohibited from transferring from the DPRK of assistance related to certain arms and related materiel in subparagraphs 8 (a) (i) of the same resolution. In their interpretation, the items referred to in this paragraph were not superseded by "all arms and related materiel" in resolution 1874 (2009).[14] Therefore, to them, these measures do not prohibit the provision by the Democratic People's Republic of Korea of assistance related to arms and related material as long as they were not procured from this country.

In this regard, the Panel notes that the Security Council has already **reaffirmed** in paragraph 7 of resolution 2094 (2013) that the measures imposed by paragraph 8 (c) of resolution 1718 (2006) applies to "items prohibited by the resolutions", which include all arms and related materiel.[15] The Panel further notes that the Security Council has used the terms "reaffirms", as opposed to "decides", "requests", or "calls upon", which indicates that this provision is intended to provide reaffirmation of its intent regarding the measures already imposed by resolutions 1718 (2006) and 1874 (2009).

In addition, the aforementioned conditional interpretation by some Member States contains a contradiction when applied to the sanction measures prohibiting the provision to or from the Democratic People's Republic of Korea of assistance related to nuclear- or ballistic missile-related items.[16] According to such interpretation, **these sanction measures would not prohibit the provision to or from Democratic People's Republic of Korea of assistance related to foreign-sourced items**. Such interpretation contradicts the objectives of the UN sanction measures which demands the Democratic People's Republic of Korea to abandon all its ballistic missile- and nuclear programmes (paragraphs 6 and 7 of resolution 1874 (2006)).

Therefore, the Panel considers that the measures of paragraph 8(c) of resolution 1718(2006) should apply to all arms and related materiel **without any condition**, as reaffirmed by paragraph 7 of resolution 2094 (2013).

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[14] Resolution 1874 (2009) has no paragraph that explicitly supersedes paragraph 8 (c) of resolution 1718 (2006).

[15] All items prohibited by paragraphs 8 (a) (i) and (ii) of resolution 1718 (2006) and paragraphs 9 and 10 of resolution 1874 (2009).

[16] Paragraphs 8 (a) (ii) and (b) of resolution 1718 (2006) and paragraph 9 of resolution 1874 (2009).

Annex 76 : Report of investigation into limousine conversions exported from the United States to the Democratic Peoples' Republic of Korea

The Panel previously reported on four Mercedes Benz S-600 limousine conversions observed during several military parades in Pyongyang on 15 April 2012, 2013 and 2014, that could constitute a violation of paragraph 8 (a) (iii) of resolution 1718 (2006).

The Panel has investigated the chain of custody of the vehicles from their origin in Europe, to their armored customization in the United States (Ports of New Jersey and Long Beach) to an intermediate delivery point at the Port of Dalian, China. The ultimate consignee in the Democratic People's Republic of Korea has not yet been identified.

United States authorities stated that no export licence was required for the export of the vehicles to China, but that a licence would have been required for their transfer to the Democratic People's Republic of Korea, the final destination country. The United States also stated that an export licence would have been required "if any party involved in the transaction" appeared on any lists related to export control and unilateral sanctions measures maintained by the United States (see Annex 66).

As part of its investigation, the Panel identified a number of individuals, entities, transfer inconsistencies, and a false declaration, which indicate that when the vehicles were exported from the United States to China, the Democratic People's Republic of Korea was already the intended destination.

The Panel has identified the organizer and financier of the various shipments as Yunong Ma, a Chinese businessman whose English name is George Ma. One of Mr. Ma's companies, Seajet International, has been idenitified in previous Panel reports as an overseas agent of the state airline of the Democratic People's Republic of Korea, Air Koryo. Moreover, Mr. Ma is under a separate Panel investigation because the role of another of his companies in an air shipment of arms and related materiel from the Democratic People's Republic of Korea

Transfer inconsistencies indicate that George Ma was likely aware that the Democratic People's Republic of Korea was the ultimate end user prior to the vehicle's departure from the United States include the issuance of instructions by Seajet to the United States-based freight-forwarder to list in United States documentation various Chinese buyers as responsible for the shipments. Several of these shipping documents were made available to United States authorities and carried an export liability warning. For example, Mr. Ma issued instructions to a United States company that shipping documents must name the financially responsible party (consignee) as his offshore company, ZM International Ltd, registered in Hong Kong (See Annexes 67,68,69)

The Panel obtained documentation showing that ZM International Ltd indirectly acquired the armored Mercedes vehicles by transferring funds to a United States freight forwarder to purchase the vehicles on its behalf (Annex 71). The transfer of $375,705 to the freight forwarder on 29 December 2010 lists as its originator "ZM International Company Ltd" which shares an address with Seajet. No such company exists in the China business registry. Seajet also instructed the United States freight-forwarder to purchase Shipper's Own Containers to transport the vehicles.

Shipper-owned containers generally ensure a greater degree of anonymity than those owned and monitored by global shipping carriers (See annex 72).[17]

A Seajet email of April 2010 also made reference to an unspecified "customer" when the armoured limousines were held by United States customs, delaying their shipment to China (See annex 73).

In other shipping documents, Seajet instructed a United States company to name the consignee as Liaoning Danxing International Forwarding Co., a major Chinese logistics company that describes itself on its website as a Democratic People's Republic of Korea shipping agency[18] which established the first container shipping line between Dalian and Nampo in March 2000 (Annex 69, 70). Liaoning Danxing has not responded to any of the Panel's requests for information.

George Ma instructed the U.S freight-forwarder to falsely declare to the carrier that the Mercedes batteries had been disconnected, against warnings by the United States company of the liability and penalties associated with such a false declaration given shipping safety regulations requiring that batteries be disconnected for shipping. These instructions were given after George Ma had been informed that any authorized Mercedes dealership could reconnect the batteries. (See annex 74) While there are many authorized Mercedes dealerships in the People's Republic of China, there are none in the Democratic People's Republic of Korea.

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[17] S/2014/394, para. 64. Shipper owned containers allow the shipper to avoid the possibility of their containers being tracked across the globe using commercially available databases. See Griffiths, H., Jenks, M., "Maritime Transport and Destablizing Commodity Flows", *SIPRI Policy Paper* No.32, 2012, p.30.

[18] "One day in the life of Democratic People's Republic of Korea shipping agency", http://www.danxing.cn/En/ChaoXianChuanDaiGonGZuoZheDeYiGeGonGZuoRi-8.html.

In October 2014, Office of Export Enforcement (OEE) opened an investigation into the export of certain armored vehicles to the Democratic People's Republic of Korea (DPRK). The investigation was predicated upon information from the United Nations, which identified two armored 2010 Mercedes Benz S600 sedans in use by the DPRK military and alleged to be previously owned and armored by U.S. Company 1 (USC1).

OEE identified two additional Mercedes Benz S600 sedans owned and armored by USC1. All four vehicles were purchased from USC1 by a freight forwarder, U.S. Company 2 (USC2). U.S. Person 1 (USP1), an employee of USC2, served as USC1's client. The vehicles were exported in three shipments.

The four armored 2010 Mercedes Benz S600 sedans are identified as follows:

1. Two vehicles from USC1 orders 4795 and 4796 were exported on May 12, 2010. [Exhibit 1-2]
2. Vehicle from USC1 order 4827 was exported on October 27, 2010. [Exhibit 3]
3. Vehicle from USC1 order 4828 was exported on January 14, 2011. [Exhibit 4]

All of the vehicles were listed as destined for China, and ZM International Company Ltd in Hong Kong was listed as the ultimate consignee. ZM is owned by Ma Yunong (aka George MA), who also owns Seajet Company Limited (Seajet) in China. [Exhibit 5]

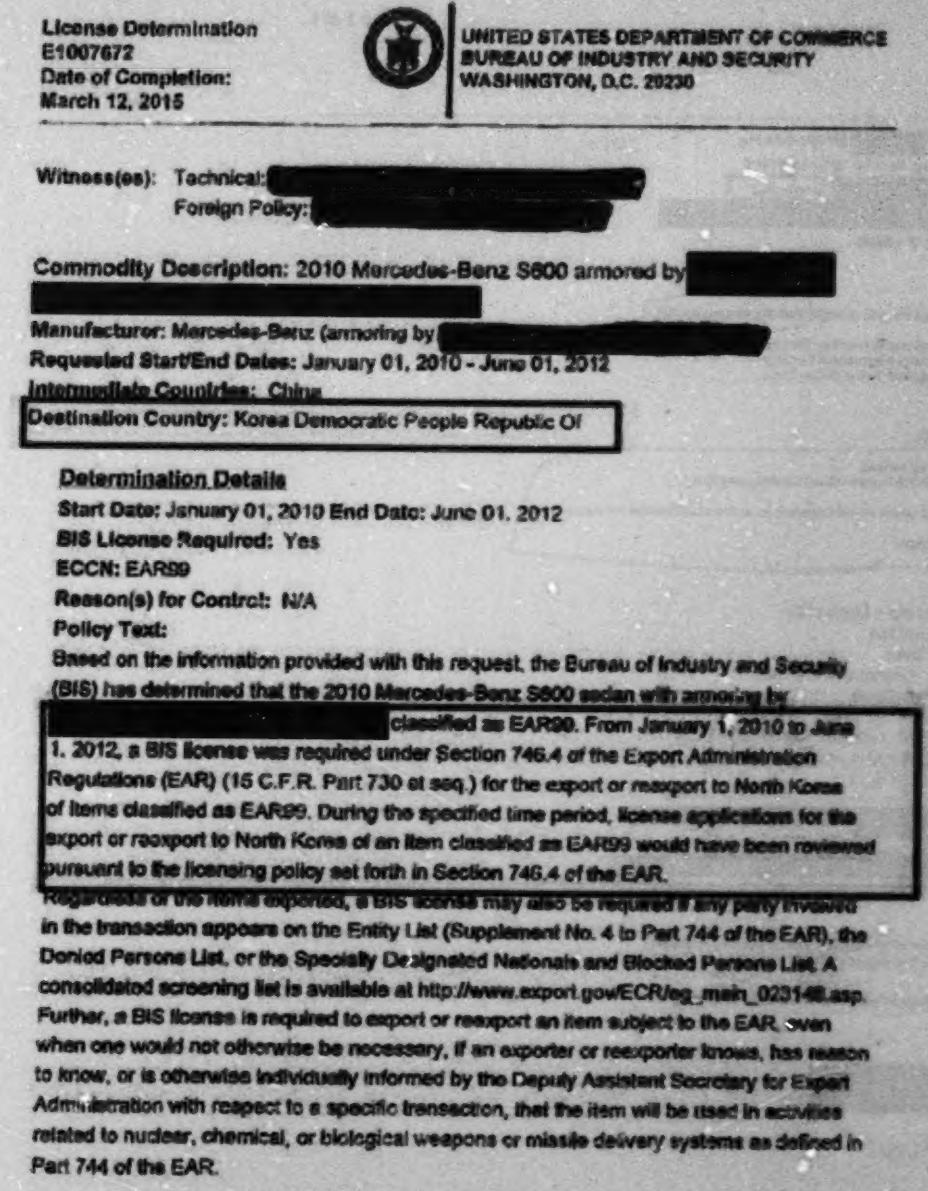
The shipping documents and correspondence provided by USC2 reveal the coordination between USC2 and Seajet personnel including Ma Yunong. Seajet personnel directed the shipments to Lianoning Danxing International Forwarding Co., Ltd. In Dalian, China. [Exhibits 9-11]

According to BIS License Determinations, the vehicles are classified under EAR99. BIS licenses were not required for the vehicles' export to China, but BIS licenses would have been required for the vehicles' export or reexport to the DPRK. [Exhibit 12]

Investigation is therefore ongoing to identify details of the vehicles' alleged transshipment or reexport from China to the DPRK.

Source: Permanent Mission of the United States to the United Nations.

Annex 77 : United States Department of Commerce note



License Determination
E1007672
Date of Completion:
March 12, 2015

UNITED STATES DEPARTMENT OF COMMERCE
BUREAU OF INDUSTRY AND SECURITY
WASHINGTON, D.C. 20230

Witness(es): Technical: [redacted]
Foreign Policy: [redacted]

Commodity Description: 2010 Mercedes-Benz S600 armored by [redacted]

Manufacturer: Mercedes-Benz (armoring by [redacted]
Requested Start/End Dates: January 01, 2010 - June 01, 2012
Intermediate Countries: China
Destination Country: Korea Democratic People Republic Of

Determination Details
Start Date: January 01, 2010 **End Date:** June 01, 2012
BIS License Required: Yes
ECCN: EAR99
Reason(s) for Control: N/A
Policy Text:

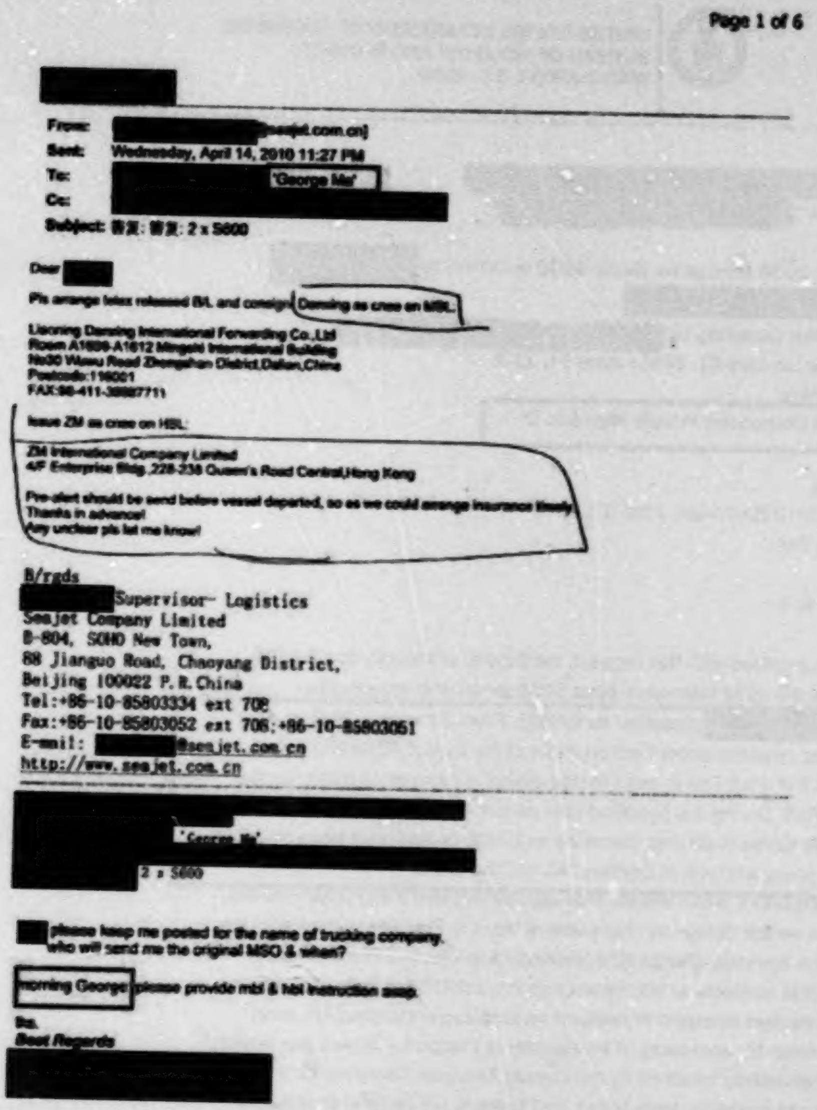
Based on the information provided with this request, the Bureau of Industry and Security (BIS) has determined that the 2010 Mercedes-Benz S600 sedan with armoring by [redacted] classified as EAR99. From January 1, 2010 to June 1, 2012, a BIS license was required under Section 746.4 of the Export Administration Regulations (EAR) (15 C.F.R. Part 730 et seq.) for the export or reexport to North Korea of items classified as EAR99. During the specified time period, license applications for the export or reexport to North Korea of an item classified as EAR99 would have been reviewed pursuant to the licensing policy set forth in Section 746.4 of the EAR.

Regardless of the items exported, a BIS license may also be required if any party involved in the transaction appears on the Entity List (Supplement No. 4 to Part 744 of the EAR), the Denied Persons List, or the Specially Designated Nationals and Blocked Persons List. A consolidated screening list is available at http://www.export.gov/ECR/eg_main_023148.asp. Further, a BIS license is required to export or reexport an item subject to the EAR, even when one would not otherwise be necessary, if an exporter or reexporter knows, has reason to know, or is otherwise individually informed by the Deputy Assistant Secretary for Export Administration with respect to a specific transaction, that the item will be used in activities related to nuclear, chemical, or biological weapons or missile delivery systems as defined in Part 744 of the EAR.

Page 1 of 2

Source: United States Department of Commerce.

Annex 78 : Instructions from Seajet



Page 1 of 6

[redacted]

From: [redacted]@seajet.com.cn]
Sent: Wednesday, April 14, 2010 11:27 PM
To: [redacted] 'George Ma'
Cc: [redacted]
Subject: 答复: 答复: 2 x S600

Dear [redacted]

Pls arrange telex released B/L and consign Dansing as cnee on MBL.

Liaoning Dansing International Forwarding Co.,Ltd
Room A1609-A1612 Mingshi International Building
No30 Wusu Road Zhongshan District,Dalian,China
Postcode:116001
FAX:86-411-39887711

Issue ZM as cnee on HBL:

ZM International Company Limited
4/F Enterprise Bldg.,228-238 Queen's Road Central,Hong Kong

Pre-alert should be send before vessel departed, so as we could arrange insurance timely
Thanks in advance!
Any unclear pls let me know!

B/rgds
[redacted] Supervisor- Logistics
Seajet Company Limited
B-804, SOHO New Town,
88 Jianguo Road, Chaoyang District,
Beijing 100022 P.R.China
Tel:+86-10-85803334 ext 708
Fax:+86-10-85803052 ext 706;+86-10-85803051
E-mail: [redacted]@seajet.com.cn
http://www.seajet.com.cn

[redacted]
'George Ma'
2 x S600

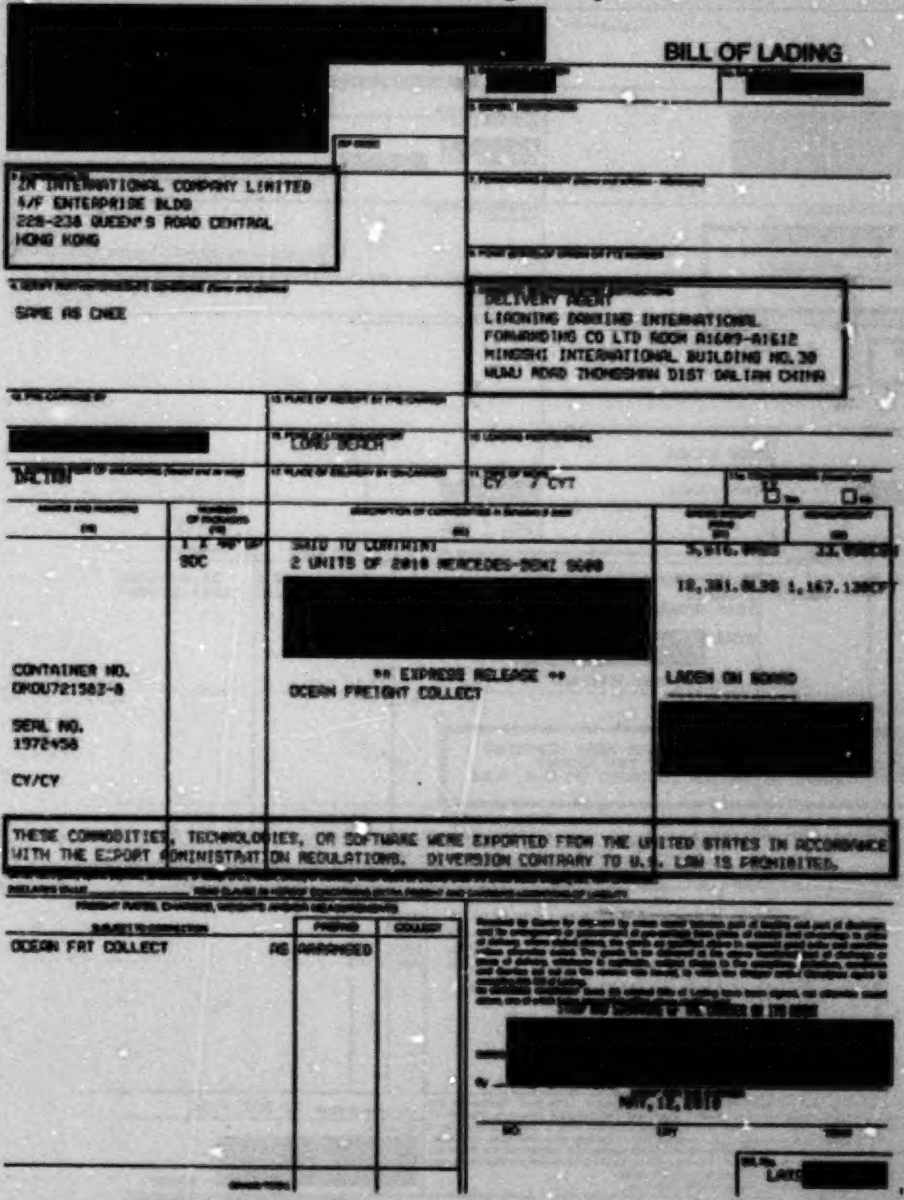
[redacted] please keep me posted for the name of trucking company.
who will send me the original MSO & when?

morning George please provide mbl & hbl instruction asap.

tks.
Best Regards
[redacted]

Source: The Panel.

Annex 79 : Documents created according to Seajet instructions



[redacted]

BILL OF LADING

[redacted]

[redacted]

ZN INTERNATIONAL COMPANY LIMITED
4/F ENTERPRISE BLDG
228-238 QUEEN'S ROAD CENTRAL
HONG KONG

SAME AS CNEE

DELIVERY AGENT
LIAONING DANXING INTERNATIONAL
FORWARDING CO LTD ROOM A1609-A1612
MINGSHI INTERNATIONAL BUILDING NO.30
WUWU ROAD ZHONGSHAN DIST DALIAN CHINA

[redacted]

LONG BEACH

DALIAN

CY / CY

☐ ☐

1 X 40' DP SOC

SAID TO CONTAIN:
2 UNITS OF 2010 MERCEDES-BENZ S600

[redacted]

5,616.0KGS 33.050CBM

12,381.0LBS 1,167.130CFT

CONTAINER NO.
GMOU721582-0

SEAL NO.
1972458

CY/CY

** EXPRESS RELEASE **
OCEAN FREIGHT COLLECT

LADEN ON BOARD

[redacted]

THESE COMMODITIES, TECHNOLOGIES, OR SOFTWARE WERE EXPORTED FROM THE UNITED STATES IN ACCORDANCE WITH THE EXPORT ADMINISTRATION REGULATIONS. DIVERSION CONTRARY TO U.S. LAW IS PROHIBITED.

	PREPAID	COLLECT
OCEAN FRT COLLECT AS	ARRANGED	

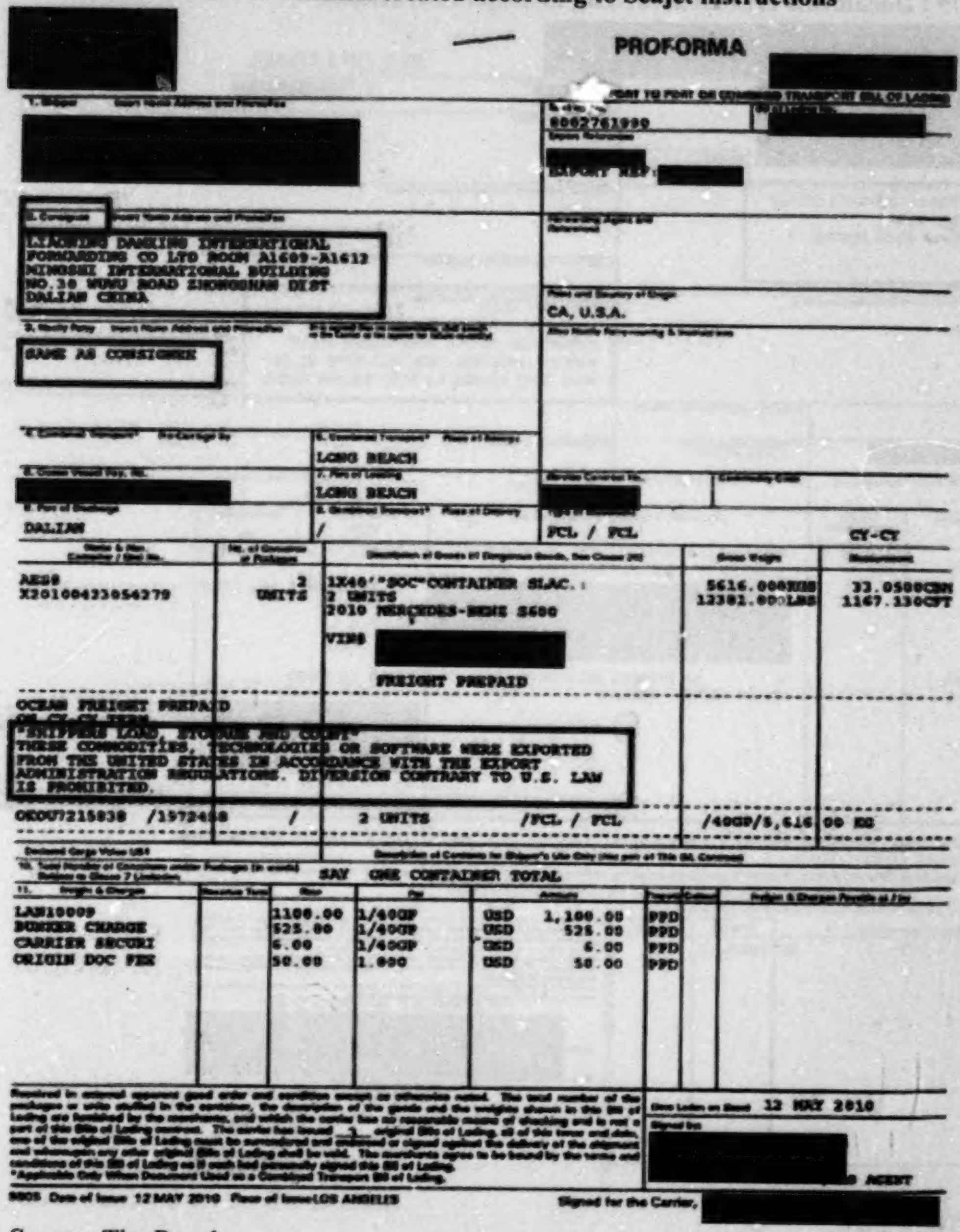
[redacted]

MAY,12,2010

[redacted]

Source: The Panel.

Annex 80 : Other documents created according to Seajet instructions



[redacted]

PROFORMA

[redacted]

PORT TO PORT OR COMBINED TRANSPORT BILL OF LADING

1. Shipper

[redacted]

B/L No. 0002761990

[redacted]

[redacted]

EXPORT REF: [redacted]

2. Consignee

LIAONING DANLING INTERNATIONAL
FORWARDING CO LTD ROOM A1609-A1612
MINGSHI INTERNATIONAL BUILDING
NO.30 WUWU ROAD ZHONGSHAN DIST
DALIAN CHINA

Place and Country of Origin: CA, U.S.A.

3. Notify Party

SAME AS CONSIGNEE

Place of Receipt: LONG BEACH

Ocean Vessel Voy. No.: [redacted]

Port of Loading: LONG BEACH

Service Contract No.: [redacted]

Port of Discharge: DALIAN

Place of Delivery: /

FCL / FCL

CY-CY

Marks & Nos. Container / Seal No.	No. of Containers or Packages	Description of Goods	Gross Weight	Measurement
AES# X20100423054279	2 UNITS	1X40''"SOC"CONTAINER SLAC.: 2 UNITS 2010 MERCEDES-BENZ S600 VIN# [redacted] FREIGHT PREPAID	5616.000KGS 12381.000LBS	33.0500CBM 1167.130CFT

OCEAN FREIGHT PREPAID
ON CY-CY TERM
"SHIPPER'S LOAD, STOWAGE AND COUNT"
THESE COMMODITIES, TECHNOLOGIES OR SOFTWARE WERE EXPORTED
FROM THE UNITED STATES IN ACCORDANCE WITH THE EXPORT
ADMINISTRATION REGULATIONS. DIVERSION CONTRARY TO U.S. LAW
IS PROHIBITED.

OKDU7215838 /1572458 / 2 UNITS /FCL / FCL /40GP/5,616.00 KG

Declared Cargo Value US$

SAY ONE CONTAINER TOTAL

Freight & Charges	Revenue Tons	Rate	Per	Amount		Prepaid	Collect
LAN10009		1100.00	1/40GP	USD	1,100.00	PPD	
BUNKER CHARGE		525.00	1/40GP	USD	525.00	PPD	
CARRIER SECURI		6.00	1/40GP	USD	6.00	PPD	
ORIGIN DOC FEE		50.00	1.000	USD	50.00	PPD	

Date Laden on Board 12 MAY 2010

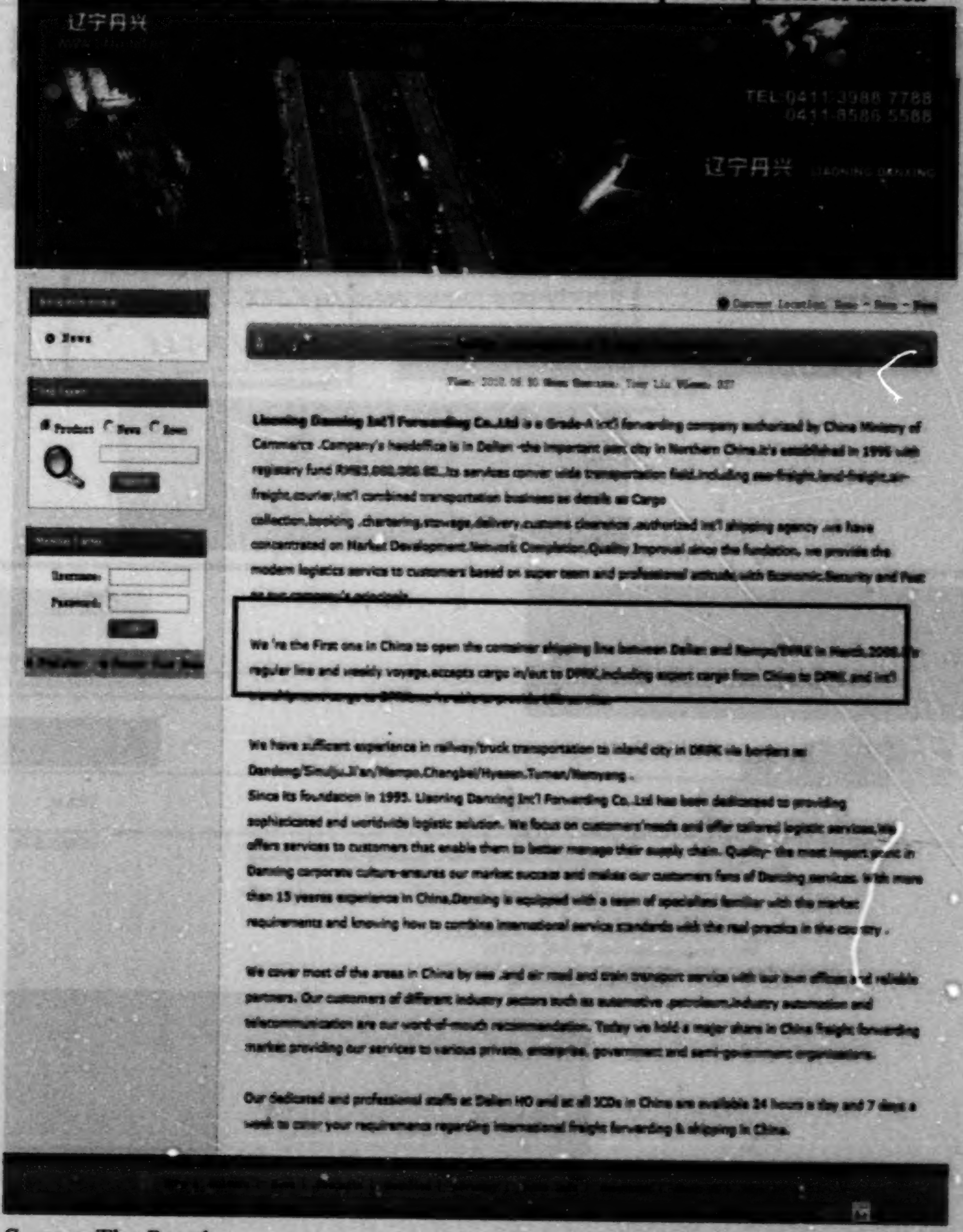
Signed by: [redacted] AGENT

Date of Issue 12 MAY 2010 Place of Issue LOS ANGELES

Signed for the Carrier, [redacted]

Source: The Panel.

Annex 81 : Liaoning Danxing website page describing itself as first container shipping line between Dalian, China and Nampo, Democratic People's Republic of Korea



Liaoning Danxing Int'l Forwarding Co.,Ltd is a Grade-A int'l forwarding company authorized by China Ministry of Commerce .Company's headoffice is in Dalian -the important port city in Northern China.It's established in 1995 with registry fund RMB5,000,000.00..Its services conver wide transportation field,including sea-freight,land-freight,air-freight,courier,int'l combined transportation business as details as Cargo collection,booking ,chartering,stowage,delivery,customs clearance ,authorized int'l shipping agency ,we have concentrated on Market Development,Network Completion,Quality Improval since the fundation, we provide the modern logistics service to customers based on super team and professional attitude,with Economic,Security and Fast as our company's principle.

We 're the First one in China to open the container shipping line between Dalian and Nampo/DPRK in March,2008.It's regular line and weekly voyage,accepts cargo in/out to DPRK,including export cargo from China to DPRK and int'l [illegible]

We have sufficent experience in railway/truck transportation to inland city in DPRK via borders as Dandong/Sinuiju,Ji'an/Manpo,Changbai/Hyesan,Tumen/Namyang .

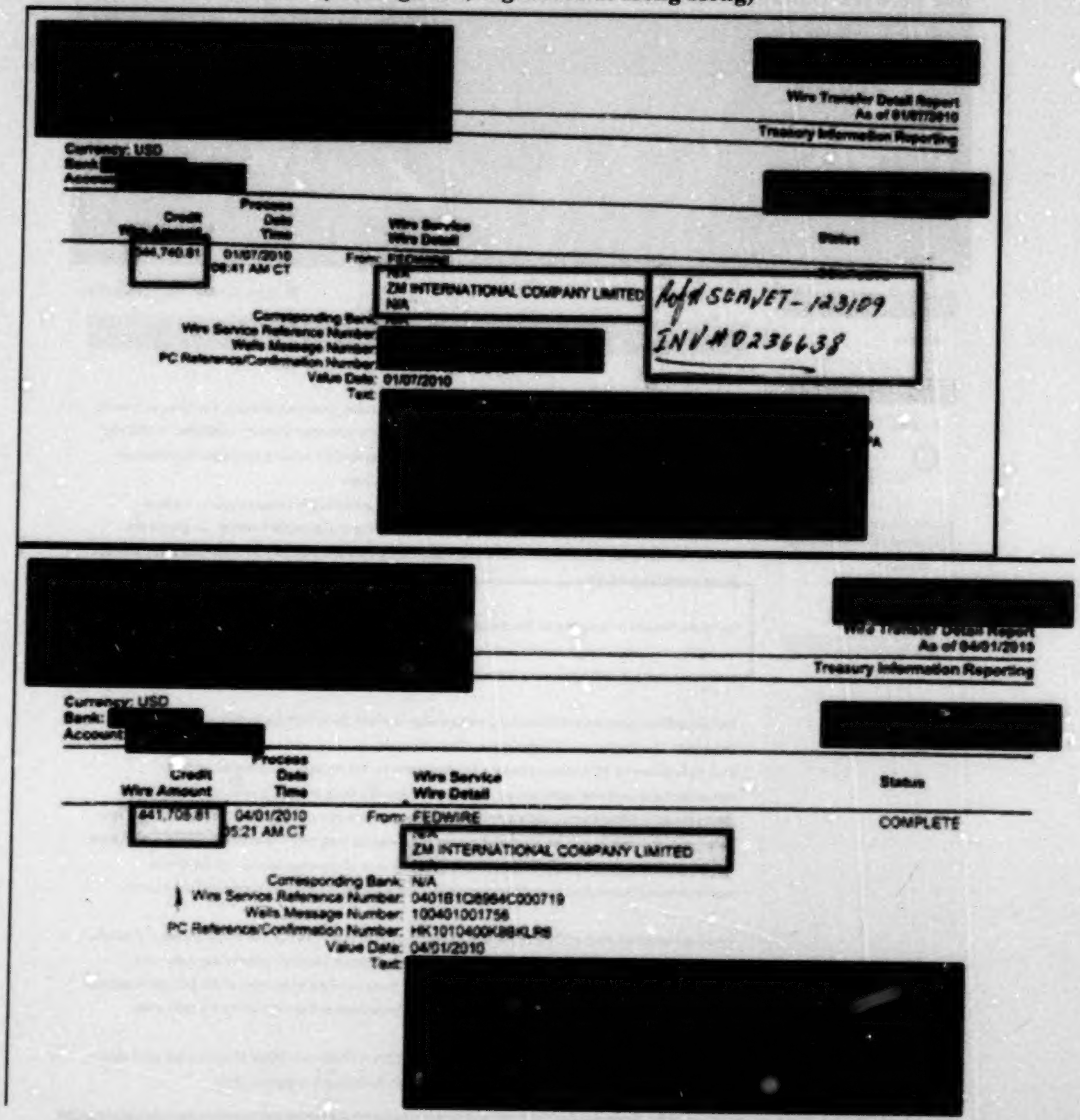
Since its foundation in 1995. Liaoning Danxing Int'l Forwarding Co.,Ltd has been dedicated to providing sophisticated and worldwide logistic solution. We focus on customers'needs and offer tailored logistic services.We offers services to customers that enable them to better manage their supply chain. Quality- the most import point in Danxing corporate culture-ensures our market success and makes our customers fans of Danxing services. With more than 15 yeares experience in China,Danxing is equipped with a team of specialists familiar with the market requirements and knowing how to combine international service standards with the real practice in the country .

We cover most of the areas in China by sea ,and air road and train transport service with our own offices and reliable partners. Our customers of different industry sectors such as automative ,petroleum,industry automation and telecommunication are our word-of-mouth recommendation. Today we hold a major share in China freight forwarding market providing our services to various private, enterprise, government and semi-government organizations.

Our dedicated and professional staffs at Dalian HO and at all JODs in China are available 24 hours a day and 7 days a week to cater your requirements regarding international freight forwarding & shipping in China.

Source: The Panel.

Annex 82 : Indirect payments for armoured limousines to U.S-based freight forwarder by ZM International (owned by George Ma, registered in Hong Kong)



[redacted] [redacted]

Wire Transfer Detail Report
As of 01/07/2010
Treasury Information Reporting

Currency: USD
Bank: [redacted]
Account: [redacted]

[redacted]

Credit Wire Amount	Process Date Time		Wire Service Wire Detail	Status
044,740.81	01/07/2010 08:41 AM CT	From:	FEDWIRE N/A ZM INTERNATIONAL COMPANY LIMITED N/A	

Ref# SCAJET-123109
INV#0236638

Corresponding Bank: N/A
Wire Service Reference Number: [redacted]
Wells Message Number:
PC Reference/Confirmation Number:
Value Date: 01/07/2010
Text: [redacted]

[redacted] [redacted]

Wire Transfer Detail Report
As of 04/01/2010
Treasury Information Reporting

Currency: USD
Bank: [redacted]
Account: [redacted]

[redacted]

Credit Wire Amount	Process Date Time		Wire Service Wire Detail	Status
441,705.81	04/01/2010 05:21 AM CT	From:	FEDWIRE N/A ZM INTERNATIONAL COMPANY LIMITED N/A	COMPLETE

Corresponding Bank: N/A
Wire Service Reference Number: 0401B1Q8964C000719
Wells Message Number: 100401001756
PC Reference/Confirmation Number: HK1010400K8BKLR8
Value Date: 04/01/2010
Text: [redacted]

[redacted]

[redacted]

Wire Transfer Detail Report
As of 05/04/2010

Treasury Information Reporting

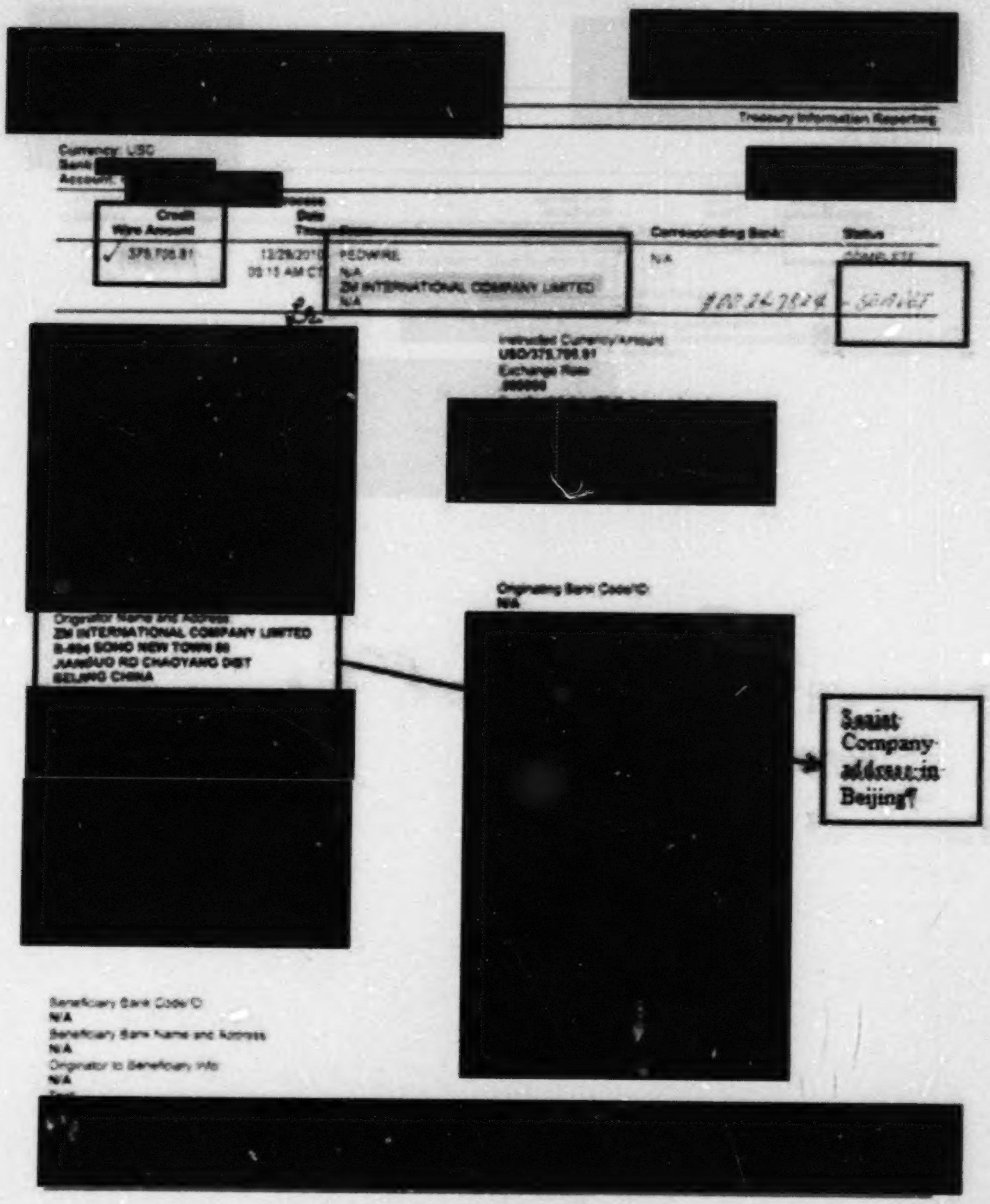
Currency: USD
Bank: [redacted]
Account: [redacted]

[redacted]

Credit Wire Amount	Process Date Time		Wire Service Wire Detail	Status
33,361.92	05/04/2010 06:20 AM CT	From:	[illegible] N/A ZM INTERNATIONAL COMPANY LIMITED N/A N/A	COMPLETE

Bk: $35-

Corresponding Bank:
Wire Service Reference Number: [redacted]
Wells Message Number:
PC Reference/Confirmation Number:
Value Date: 05/04/2010
Text: [redacted]



[redacted] [redacted]

Treasury Information Reporting

Currency: USD
Bank [redacted]
Account: [redacted]

[redacted]

Credit Wire Amount	Process Date Time	From	Corresponding Bank:	Status
✓ 375,706.81	12/29/2010 09:15 AM CT	FEDWIRE N/A ZM INTERNATIONAL COMPANY LIMITED N/A	N/A	COMPLETE

#00267824 – [illegible]

[redacted]

Instructed Currency/Amount
USD/375,706.81
Exchange Rate
.000000

[redacted]

Originator Name and Address
ZM INTERNATIONAL COMPANY LIMITED
B-604 SOHO NEW TOWN 88
JIANGUO RD CHAOYANG DIST
BEIJING CHINA

[redacted]

[redacted]

Originating Bank Code/ID
N/A

[redacted]

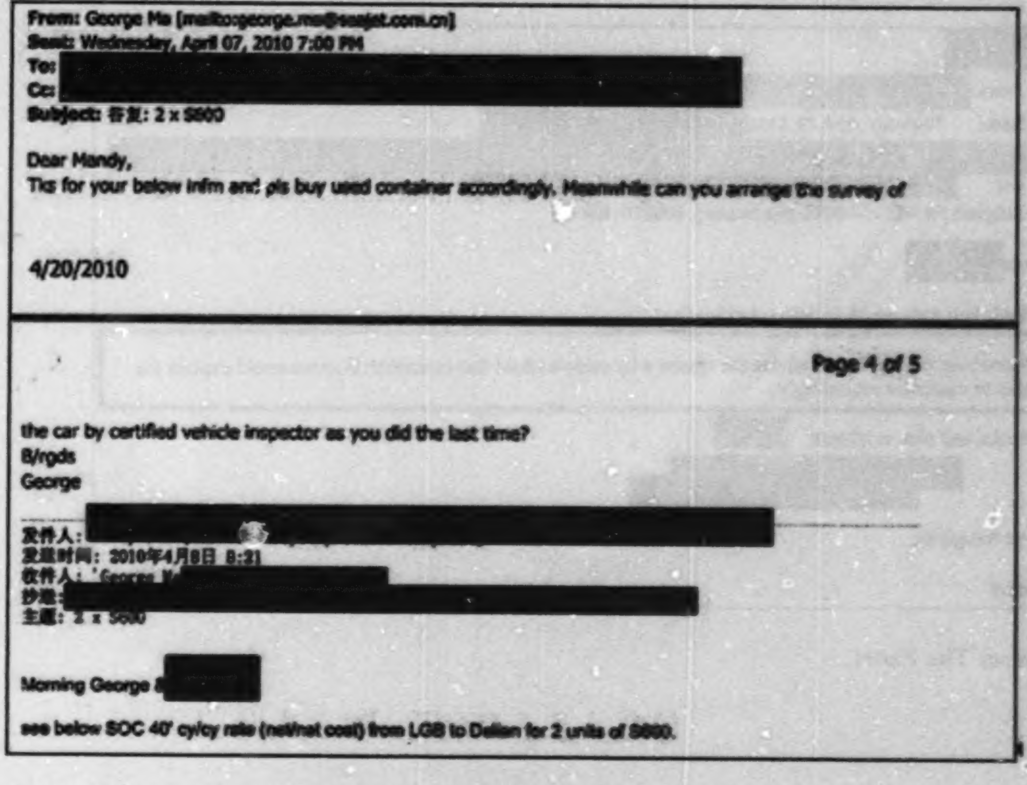
Saaist Company address in Beijing?

Beneficiary Bank Code/ID
N/A
Beneficiary Bank Name and Address
N/A
Originator to Beneficiary Info
N/A

[redacted]

Source: The Panel.

Annex 83 : Email requests by George Ma for Shipper Owned Containers (SOC)



From: George Ma [mailto:george.ma@seajet.com.cn]
Sent: Wednesday, April 07, 2010 7:00 PM
To: [redacted]
Cc:
Subject: 答复: 2 x S600

Dear Mandy,
Tks for your below infm and pls buy used container accordingly. Meanwhile can you arrange the survey of

4/20/2010

Page 4 of 5

the car by certified vehicle inspector as you did the last time?
B/rgds
George

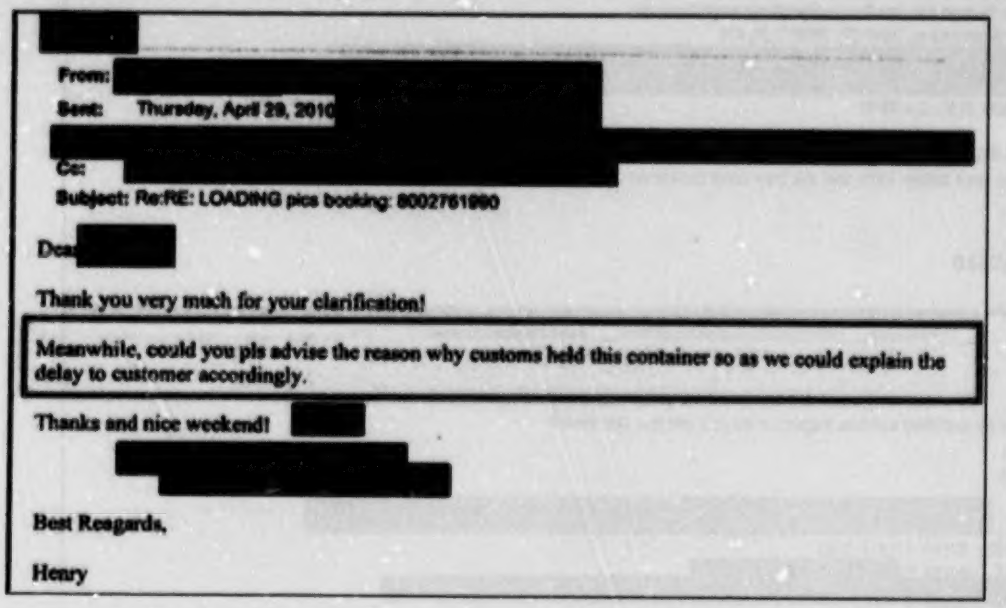
发件人: [redacted]
发送时间: 2010年4月8日 8:21
收件人: 'George M[redacted]
抄送: [redacted]
主题: 2 x S600

Morning George & [redacted]

see below SOC 40' cy/cy rate (net/net cost) from LGB to Dalian for 2 units of S600.

Source: The Panel.

Annex 84 : Seajet employee Henry references unspecified customer when armoured limousines held by United States Customs



[redacted]

From: [redacted]

Sent: Thursday, April 29, 2010 [redacted]

[redacted]

Cc: [redacted]

Subject: Re:RE: LOADING pics booking: 8002761990

Dea[redacted]

Thank you very much for your clarification!

Meanwhile, could you pls advise the reason why customs held this container so as we could explain the delay to customer accordingly.

Thanks and nice weekend! [redacted]

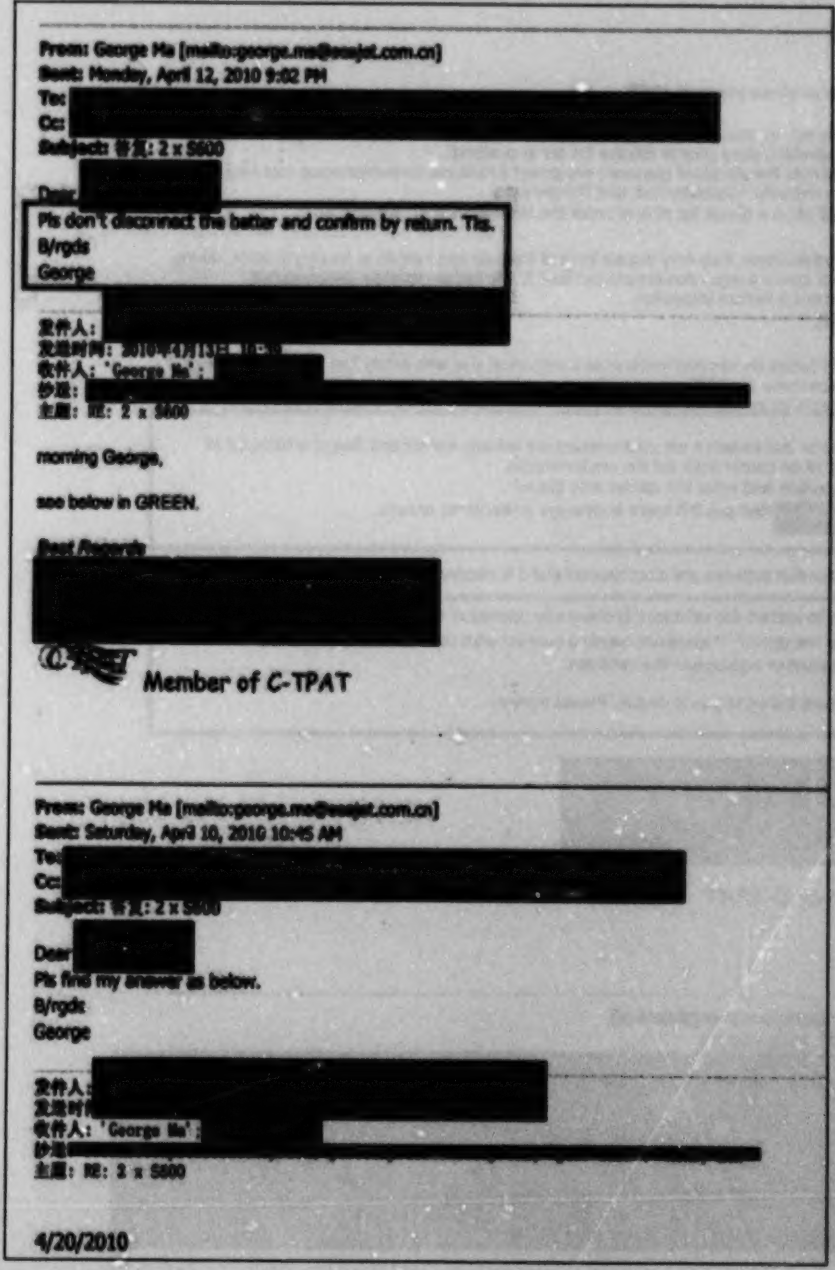
[redacted]

Best Reagards,

Henry

Source: The Panel.

Annex 85 : George Ma instructs U.S freight forwarder to make false declaration in documents for Carrier



From: George Ma [mailto:george.ma@esajet.com.cn]
Sent: Monday, April 12, 2010 9:02 PM
To: [redacted]
Cc:
Subject: 答复: 2 x S600

Dear [redacted]
Pls don't disconnect the batter and confirm by return. Tks.
B/rgds
George

[redacted]
发件人:
发送时间: 2010年4月13日 [illegible]
收件人: 'George Ma'; [redacted]
抄送: [redacted]
主题: RE: 2 x S600

morning George,

see below in GREEN.

Best Regards
[redacted]

Member of C-TPAT

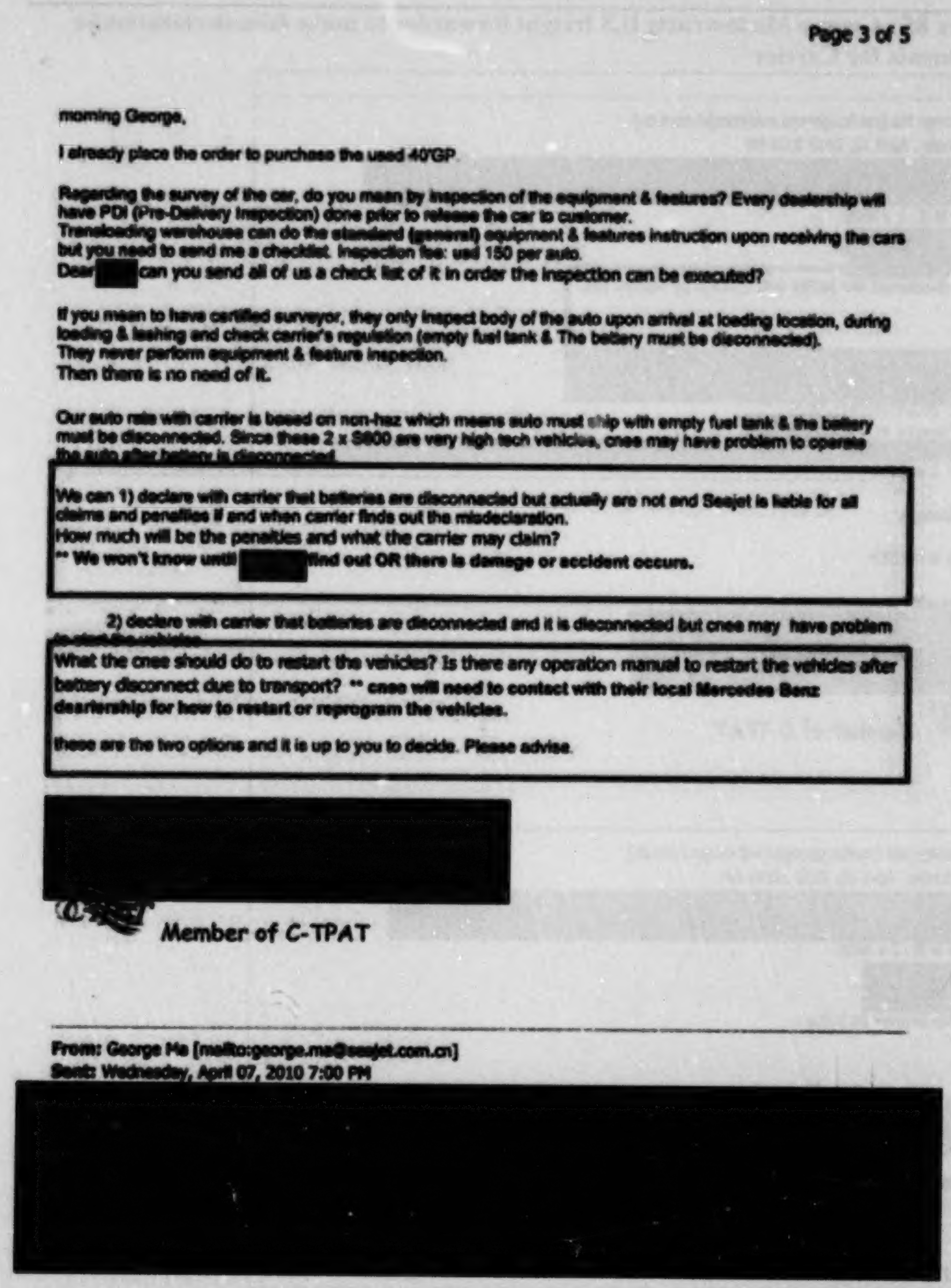
From: George Ma [mailto:george.ma@esajet.com.cn]
Sent: Saturday, April 10, 2010 10:45 AM
To: [redacted]
Cc:
Subject: 答复: 2 x S600

Dear [redacted]
Pls find my answer as below.
B/rgds
George

发件人: [redacted]
发送时间
收件人: 'George Ma'; [redacted]
抄送: [redacted]
主题: RE: 2 x S800

4/20/2010

Source: The Panel.



Page 3 of 5

morning George,

I already place the order to purchase the used 40'GP.

Regarding the survey of the car, do you mean by inspection of the equipment & features? Every dealership will have PDI (Pre-Delivery Inspection) done prior to release the car to customer.
Transloading warehouse can do the standard (general) equipment & features instruction upon receiving the cars but you need to send me a checklist. Inspection fee: usd 150 per auto.
Dear [redacted] can you send all of us a check list of it in order the inspection can be executed?

If you mean to have certified surveyor, they only inspect body of the auto upon arrival at loading location, during loading & lashing and check carrier's regulation (empty fuel tank & The battery must be disconnected).
They never perform equipment & feature inspection.
Then there is no need of it.

Our auto rate with carrier is based on non-haz which means auto must ship with empty fuel tank & the battery must be disconnected. Since these 2 x S600 are very high tech vehicles, cnee may have problem to operate the auto after battery is disconnected.

We can 1) declare with carrier that batteries are disconnected but actually are not and Seajet is liable for all claims and penalties if and when carrier finds out the misdeclaration.
How much will be the penalties and what the carrier may claim?
** We won't know until [redacted] find out OR there is damage or accident occurs.

2) declare with carrier that batteries are disconnected and it is disconnected but cnee may have problem to start the vehicles.

What the cnee should do to restart the vehicles? Is there any operation manual to restart the vehicles after battery disconnect due to transport? ** cnee will need to contact with their local Mercedes Benz dearlership for how to restart or reprogram the vehicles.

these are the two options and it is up to you to decide. Please advise.

[redacted]

Member of C-TPAT

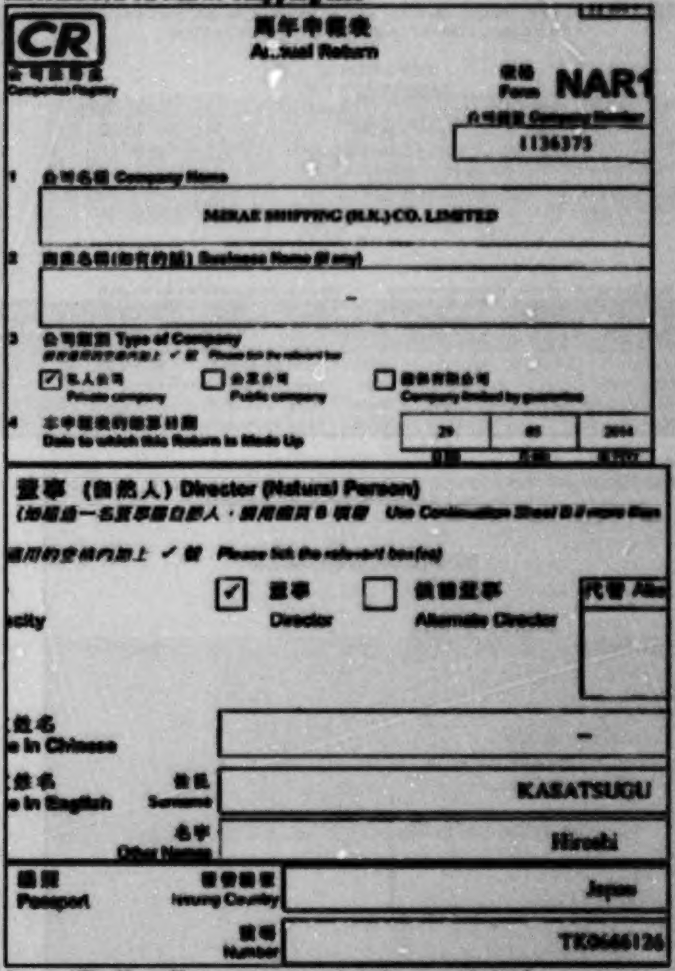
From: George Ma [mailto:george.ma@seajet.com.cn]
Sent: Wednesday, April 07, 2010 7:00 PM

[redacted]

Source: The Panel.

Annex 86 : The *Hoe Ryong* and Mirae Shipping HK

Information on Mirae Shipping HK



CR
公司註冊處
Companies Registry

周年申報表
Annual Return

表格 Form NAR1

公司編號 Company Number: 1136373

1 公司名稱 Company Name: MIRAE SHIPPING (H.K.) CO. LIMITED

2 商業名稱(如有的話) Business Name (if any): –

3 公司類別 Type of Company
請在適用的空格內加上 ✓ 號 Please tick the relevant box

☑ 私人公司 Private company ☐ 公眾公司 Public company ☐ 擔保有限公司 Company limited by guarantee

4 本申報表的結算日期 Date to which this Return is Made Up: 29 / 05 / 2014

董事（自然人）Director (Natural Person)
(如超過一名董事為自然人，請用續頁 B 填報 Use Continuation Sheet B if more than
適用的空格內加上 ✓ 號 Please tick the relevant box(es)

acity: ☑ 董事 Director ☐ 候補董事 Alternate Director 代替 Alte

姓名 e in Chinese: –

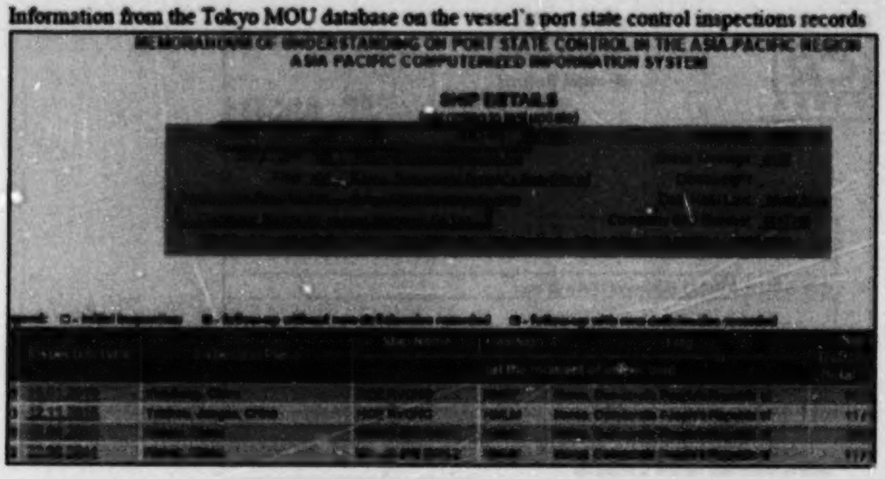
姓名 e in English: 姓氏 Surname: KASATSUGU
名字 Other Names: Hiroshi

護照 Passport: 簽發國家 Issuing Country: Japan
號碼 Number: TK0646126

Source: The Hong Kong company registration records database.

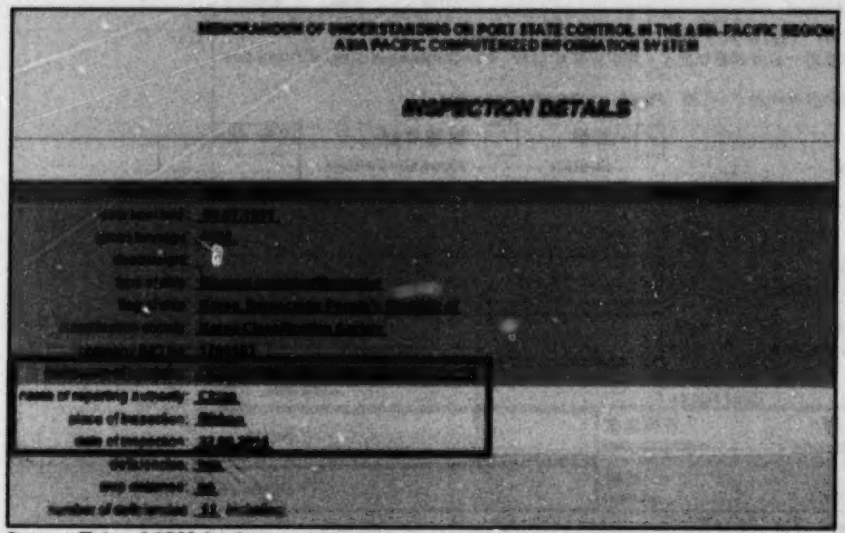
Official information for the *Hoe Ryong* (fka *Wang Jae San 2*) referring to OMM

Information from the Tokyo MOU database on the vessel`s port state control inspections records



MEMORANDUM OF UNDERSTANDING ON PORT STATE CONTROL IN THE ASIA-PACIFIC REGION
ASIA PACIFIC COMPUTERIZED INFORMATION SYSTEM

SHIP DETAILS



MEMORANDUM OF UNDERSTANDING ON PORT STATE CONTROL IN THE ASIA-PACIFIC REGION
ASIA PACIFIC COMPUTERIZED INFORMATION SYSTEM

INSPECTION DETAILS

name of reporting authority: China

place of inspection:

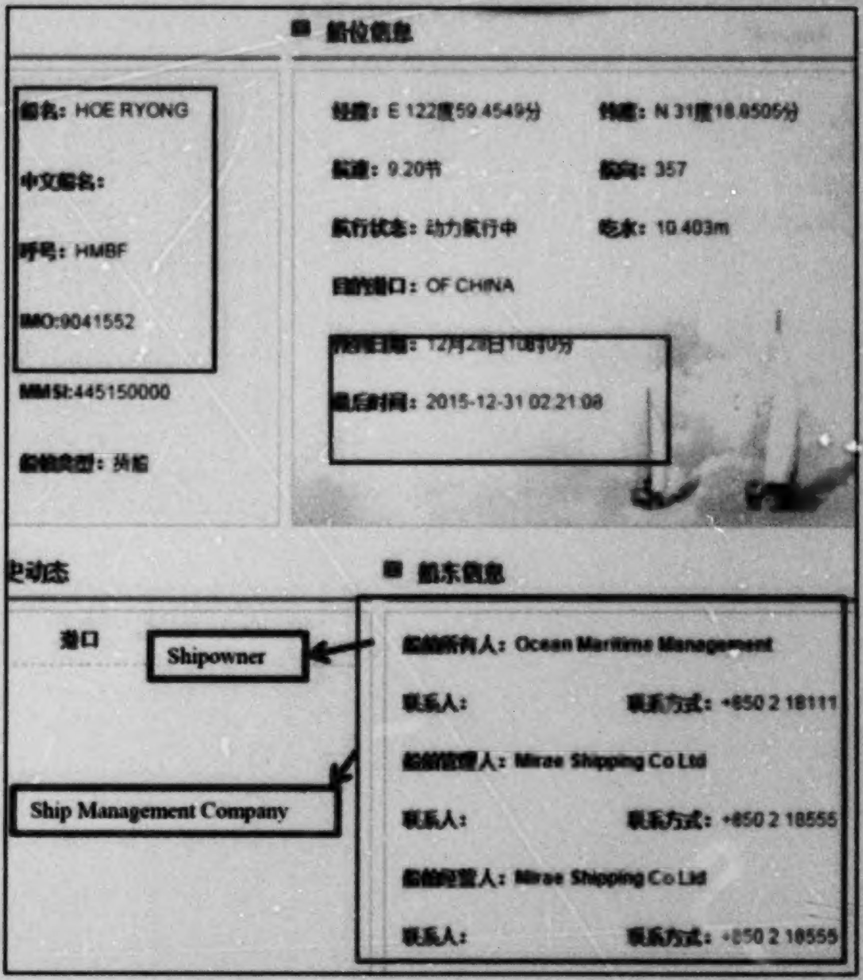
date of inspection:

deficiencies:

ship detained:

number of deficiencies:

Source: Tokyo MOU database.



■ 船位信息

船名：HOE RYONG

中文船名：

呼号：HMBF

IMO:9041552

MMSI:445150000

船舶类型：货船

经度：E 122度59.4549分

纬度：N 31度18.8505分

航速：9.20节

航向：357

航行状态：动力航行中

吃水：10.403m

目的港口：OF CHINA

预到日期：12月28日10时0分

最后时间：2015-12-31 02:21:08

史动态

港口

■ 船东信息

船舶所有人：Ocean Maritime Management

联系人：

联系方式：+850 2 18111

船舶管理人：Mirae Shipping Co Ltd

联系人：

联系方式：+850 2 18555

船舶经营人：Mirae Shipping Co Ltd

联系人：

联系方式：+850 2 18555

Shipowner

Ship Management Company

Source: http://www.chinaports.com/souchuan/view/445150000.

Annex 87

STRICTLY CONFIDENTIAL*

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*The annex has not been reproduced in the present document because it is strictly confidential.

Annex 88 : Companied related to Mr. Kasatsugu

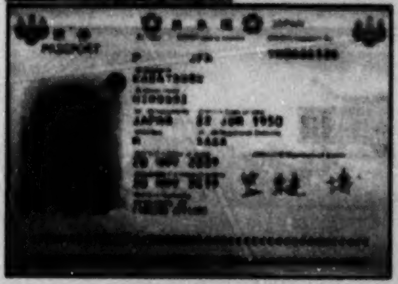
Mirae HK's director, Mr. Kasatsugu, has owned and controlled the following companies, including those involved in the operation of vessels using DPRK crews:[19]

- Allied Ocean Shipping Limited (registered owner of the *Fertility 9* (IMO 8417962));
- First Trend Shipping Limited (former registered owner of the *Ma Sik Ryong* (IMO 8608030));
- Glory Shipping (H.K.) Limited (registered owner of the *Glory Ocean* (IMO 8306929)) ;
- Gold Zone Shipping Limited (involved in the loan arrangements for several vessels, including the *Glory Ocean* and the *Glory Morning* (IMO 8416164));
- Grandtex Shipping Company Limited (ship manager, operator and registered owner of the *Fertility 5* (IMO 9147332));
- New Champ Shipping (former registered owner of the *Glory Morning* and the *Ocean Galaxy* (IMO 8418227));
- Rich Step Shipping (former registered owner of the *Ocean Dawning* (IMO 8505329));
- Sunrise International (HK) Trade Company Limited; and
- V.O. Shipping Limited (the director and owner is officially listed as Mr. Kastsugu's son).

Information obtained by the Panel indicates these companies were experiencing financial difficulties. Three of the aforementioned vessels were demolished in 2015 and another one is scheduled to be demolished.[20] Only three remaining vessels (*Fertility 9, Fertility 5,* and *Glory Ocean*) were listed officially in the IMO database as inactive, as of 1 January 2016.

The Panel sent a letter to Mr. Kasatsugu to request for information about his current relationship with OMM, but has received no reply. Therefore, business dealings with these companies and vessels could contribute to the evasion of the measures by Mirae/OMM.

Mr. Kasatsugu's passport



[redacted]

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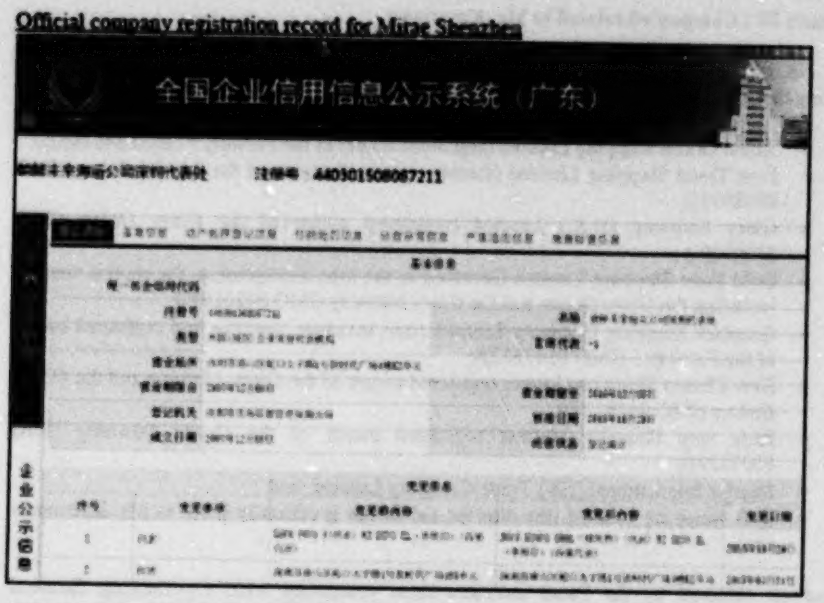
[19] The Hong Kong company registry database: the IMO database

[20] *Glory Morning, Ma Sik Ryong, Ocean Dawning, Ocean Galaxy.*

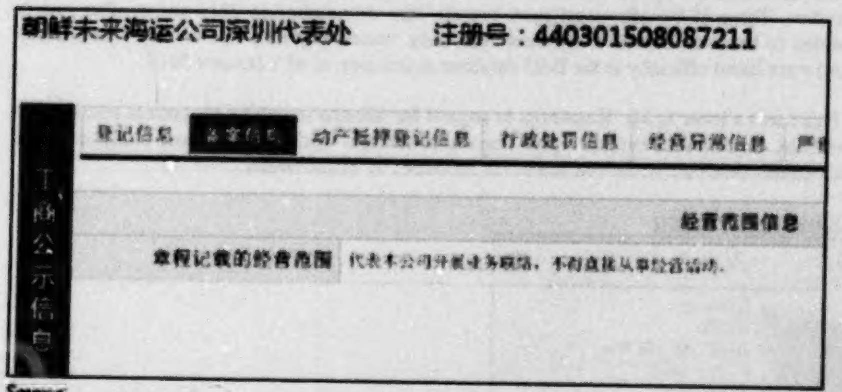
Official company registration record for Mirae Shenzhen



全国企业信用信息公示系统（广东）

朝鲜未来海运公司深圳代表处 注册号 440301508087211

企业公示信息



朝鲜未来海运公司深圳代表处 注册号：440301508087211

登记信息
备案信息
动产抵押登记信息
行政处罚信息
经营异常信息
工商公示信息

经营范围信息

章程记载的经营范围	代表本公司开展业务联络，不得直接从事经营活动。

Source: http://www.szcredit.com.cn/web/GSZJGSPT/QyxyDetail.aspx?rid=8a4ddbfce3e045239dec08128348baed.

Annex 89 : Mirae-linked companies

Hua Heng Shipping Limited, Petrel Shipping Company Limited and CM Chartering Limited

1. Mr. Li Anshan is the director and shareholder of Hua Heng and Petrel. In replying to the Panel, Mr. Li denied having any business relationships with OMM. Mr. Li confirmed his business dealings with Mr. Kasatsugu from June 2011 until June 2015, but emphasized that he had no knowledge of Mr. Kasatsugu's connection to OMM (figure 1). However, the Panel noted inconsistencies between Mr. Li's explanations and information obtained by the Panel. The Panel also found that Mr. Li's companies were utilized by OMM previously and had business dealings with a company previously involved in the 2011 suspected violation of the resolutions.

Mr. Li's relationship with Mr. Kasatsugu

2. With respect to the December 2014 settlement, Mr. Li confirmed that he had purchased the vessels from Mr. Kasatsugu as part of normal commercial activities. To corroborate Mr. Li's statements, the Panel requested records of his correspondence with Mr. Kasatsugu in connection with these transactions, but was informed that Mr. Li no longer kept any relevant records (figure 1).

3. Mr. Li also explained that his business relationships with Mr. Kasatsugu were limited only to the provision of ISM Management services for several vessels [21] and that all issues related to the vessel's operation or crews were handled by Mr. Kasatsugu. However, documents obtained by the Panel listed Hua Heng as the vessel's operator and an "employer" of DPRK crew (figure 2). Also, Mr. Li's explanation does not appear consistent with the responsibility imposed by the relevant IMO resolutions for ISM managers to ensure that the crew is adequately qualified and certified to operate the vessels. The Panel is as yet to confirm the specific activities undertaken by Hua Heng for these vessels.

OMM's utilization of Petrel Shipping and CM Chartering Co Ltd

4. Previously, the Panel found that OMM representative based in Bangkok (OMM Bangkok) had listed his affiliation and title as "the Chartering Manager of the PETREL SHIPPING COMPANY LIMITED" in an official document submitted to Thailand (legally valid from December 2013 to December 2014, at least) (figure 3).[22]

5. OMM Bangkok controlled the vessel *Mu Du Bong*. Documentation obtained by the Panel from this vessel lists OMM-associated companies which included "MIRAE SHIPPING" and "CM Chartering". CM Chartering Limited (IMO 5687371) had has close business relationship with Hua Heng (figure4).

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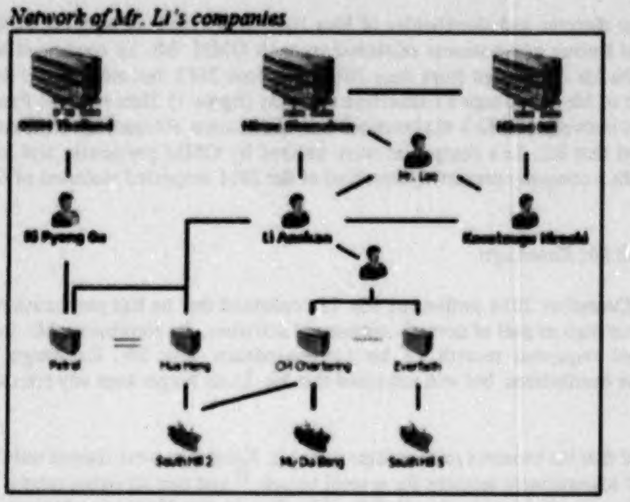
[21] *Chon Un 68* (IMO 9001021), *Great Hope*, *Glory Morning*, *Glory Ocean* and *Ma Sik Ryong*.
[22] S/2015/131, footnote no. 71.

6. CM Chartering has owned the *South Hill 2* (IMO 8412467) (Hua Heng served as the vessel's ship manager and operator).[23] OMM Singapore used this vessel's name in its instruction to Chinpo to make a false declaration to the remitting bank for the July 2013 shipment (figure5).

Network of Mr. Li's companies



7. CM Chartering's director has also served as the director of Everfaith Trade Limited which owns the *South Hill 5* (IMO 9138680) (figure 6). Everfaith purchased this vessel in August 2014. The Panel learned that at that time there was unknown "ultimate buyer" of the *South Hill 5* who initially nominated Mirae HK to buy this vessel but later switched its nomination to Everfaith (figure 6). A Member State informed the Panel that the two foreign-flagged vessels (*South Hill 2* and *-5*) were controlled by OMM as of June 2015. The Panel continues to investigate OMM's reported connections to these two vessels.

8. In replying to the Panel, Mr. Li confirmed that he was the sole director and owner of Petrel but that he had never let any other person to use this company. According to Mr. Li, CM Chartering's director learned of OMM when purchasing the *South Hill 2* in June 2012 through Mirae Shenzhen, but MC Chartering had no business relationship with OMM. It was also stated that CM Chartering had served as a broker for the *Mu Du Bong* "years ago" (figure 1).

9. Previously, Mr. Li used the email address of CM Chartering when he replied to the Panel in January 2015 on behalf of this company. The same email address was listed on the document from the *Mu Du Bong*. This document also listed Mirae's representative's email address of miraerep@cmchartering.com which used the domain name of CM Chartering (figure 4). In

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[23] IMO database.

replying to the Panel, however, Mr. Li simply stated that he was told by CM Chartering that the "e-mail ID" was stopped since late 2012.

10. In light of the multiple connections between Mr. Li and Mirae/OMM, as well as the inconsistencies between Mr. Li's statements and information obtained by the Panel, and in the absence of precise explanations and supporting documentation from Mr. Li, the Panel could not confirm Mr. Li's denial of his relationship with OMM and his knowledge of Mr. Kasatsugu's connection to OMM.

Dalian Sea Glory Shipping Co Ltd and V-Star Ships Limited

11. The Panel found that Hua Heng/Petrel have had business relationships with three directors of Dalian Sea Glory Shipping Co Ltd (IMO 5233903) which was previously involved in a May 2011 suspected transfer of proliferation-related items on-board the vessel *Light* (IMO 8415433) (figure 7).[24] Mr. Fan Min Tian (one of the three individuals) stated that they had provided consultancy services for ship registration and inspection for Hua Heng, which was also confirmed by Mr. Li. Mr. Fan also stated that Dalian Sea Glory was dissolved in October 2015 (figure 7).

12. The three individuals also served as the directors of V-Star Ships Limited (figure 7). This company was mentioned during the Singapore court trial related to the CCG incident. According to the prosecutor, Chinpo sent an email to OMM on 11 July 2013 (5 days after the remittance for the CCG incident) in which "Chinpo had requested OMM not to send any instructions for outward and inward remittances to and from *V-Star Ships Limited* and Cuba so as to avoid being blacklisted."[25]

13. In replying to the Panel, Mr. Fan stated that V-Star had no connection to OMM, Chinpo, or the *Chon Chong Gang* (figure 7). It was explained that another company with a very similar name was "on the blacklist" of the United States, and that Mr. Fan had informed the matter to the authorities previously. The Panel could not find such company and was unable to confirm his statements denying his companies' connections to OMM.

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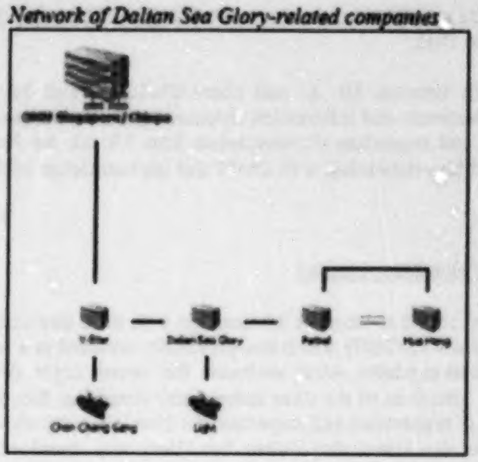
[24] From May 2006 to July 2011, Dalian Sea Glory was listed in the IMO database as the ship manager and operator of the vessel *Light* (IMO 8415433). In May 2011, the U.S. Navy attempted to inspect this vessel because the vessel was considered to be transferring proliferation-related items. After this incident, this vessel was renamed to Victory 3 and re-registered with a new ship manager and operator of Sea Star Ship Co Ltd.

[25] *Prosecution's submissions at the close of trial*", 30 October 2015.

Network of Dalian Sea Glory-related companies



Other companies related to Mirae

14. Mirae-linked companies, Grandtex Shipping Co Ltd and Allied Ocean Shipping Limited, have had business relationships with Aoyang International Co Ltd and East Grand Shipping Co Ltd. through the operations of the vessels *Fertility 5* and *Fertility 9* (see table 2). Aoyang Marine Company Limited (connected to Aoyang International) has shared the same contact details as Grandtex (figure 8).[26] Aoyang International and East Grand are managed by the same individuals (figure 8).

Table 1. Companies connected to the Fertility 5 and Fertility 9

Company	Vessels	Role	Period
Allied Ocean Shipping Limited	*Fertility 9*	Registered owner	From 23 December 2011 to present
Aoyang International Company Limited	*Fertility 5*	ISM Manager	From 25 August 2011 to present
East Grand Shipping Co Ltd.	*Fertility 9*	ISM Manager, ship manager and operator	From 26 August 2013 to present
Grandtex Shipping Co Ltd	*Fertility 5*	Registered owner, ship manager and operator	From 3 May 2012 to present

Source: IMO and Equasis databases

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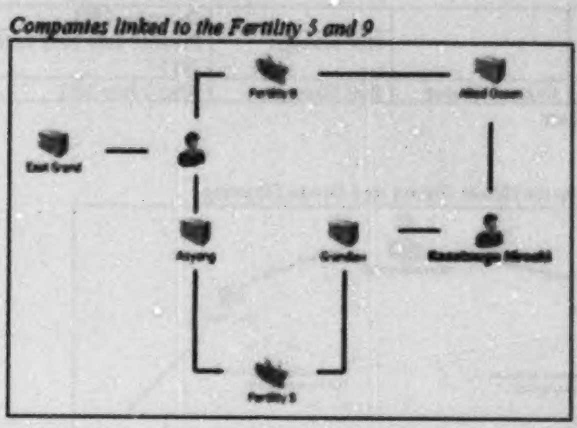
[26] According to information obtained by the Panel, Aoyang International assisted Grandtex by registering in the IMO database the official company records for Grandtex. Aoyang International is linked to other companies that have business dealings with the DPRK in the fields of shipping business.

Companies linked to the Fertility 5 and 9



15. Aoyang International is listed in the IMO database as a group beneficial owner of the *Grand Karo* (IMO 8511823). The vessel's registered owner has been listed as Yuanyao Shipping Ltd. (IMO 5821925), since September 2014. This company is listed with a "care of" address provided by Aoyang International. According to information from a Member State, the vessel was reportedly controlled by OMM as late as June 2015. The Panel learned that Mr. Kasatsugu was previously involved in financing for this vessel. The Panel found that the vessel's DPRK crew included two individuals who were crew on OMM-controlled vessels (figure 8). The Panel continues to investigate the vessel's reported connection to OMM.

16. Mr. Kasatsugu has had business relationships with Shenghao Marine (Hong Kong) Co Ltd. and Jinjiang Shipping Pte Ltd through the operation of the vessels *Ocean Galaxy* (IMO 8418227) and *Ocean Dawning* (IMO 8505329), until February 2015 (see table 1 below). Shenghao Marine provided a "care of address" for Mirae-linked companies, Rich Step Shipping Limited and New Champ Shipping Limited. In the Korean Register of Shipping database, New Champ and Shenghao Marine were listed with the same contact information (figure 9).

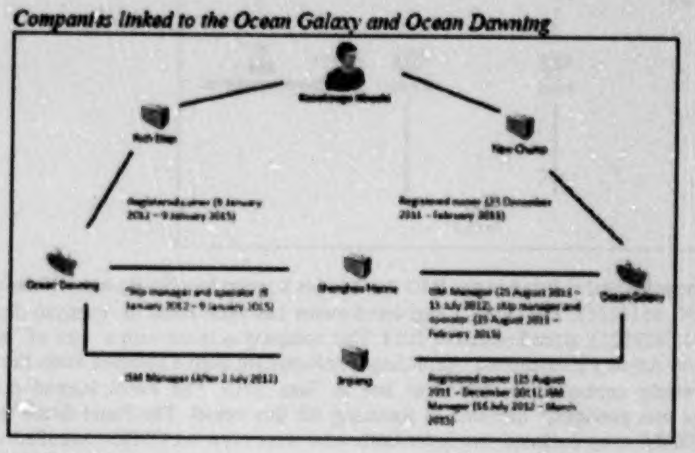
Table 2. Companies connected to the *Ocean Galaxy* and *Ocean Dawning*

Company	Vessels	Role	Period
New Champ Shipping Limited	*Ocean Galaxy*	Registered owner	From 23 December 2011 to February 2015
Rich Step Shipping Limited	*Ocean Dawning*	Registered owner	From 9 January 2012 to 9 January 2015
Shenghao Marine (Hong Kong) Ltd	*Ocean Galaxy*	ISM Manager	From 25 August 2011 to 15 July 2012
		Ship manager and operator	From 25 August 2011 to February 2015
	Ocean Dawning	Ship manager and operator	From 9 January 2012 to 9 January 2015
Jinjiang Shipping	*Ocean Galaxy*	Registered owner	From 25 August 2011 to

Pte Ltd			December 2011
		ISM Manager	From 16 July 2012 to March 2015
	Ocean Dawning	ISM Manager	After 2 July 2012

Source: IOM database

Companies linked to the Ocean Galaxy and Ocean Dawning


Ocean Dawning
Shenghao Marine
Ocean Galaxy
ISM Manager (After 2 July 2012)
Registered owner (25 August 2011 – December 2011); ISM Manager (16 July 2012 – March 2015)

17. One of Shenghao Marine's directors, Mr. Zhang Qiao, has been listed as the director and/or shareholder of several other companies including Baili Shipping and Trading Limited (the ship manager of the vessel *Ever Bright 88*) and Bene Star Shipping & Trading Ltd (the ship manager and registered owner of the *Orion Star*) (figure 10). According to information provided by a Member State, these two vessels were controlled by OMM as late as September 2015. The Panel continues to investigate OMM's reported connections to these vessels.

Senat Shipping Limited

18. Bene Star had business relationship with Senat Shipping which was designated by the United States Department of the Treasury on 23 July 2015 for its role in providing extensive material support to OMM. Information provided by Senat's lawyer shows the company's business dealings with Bene Star in chartering vessels operated by DPRK crews, including Senat-owned vessel *Dawnlight* (IMO 9110236).

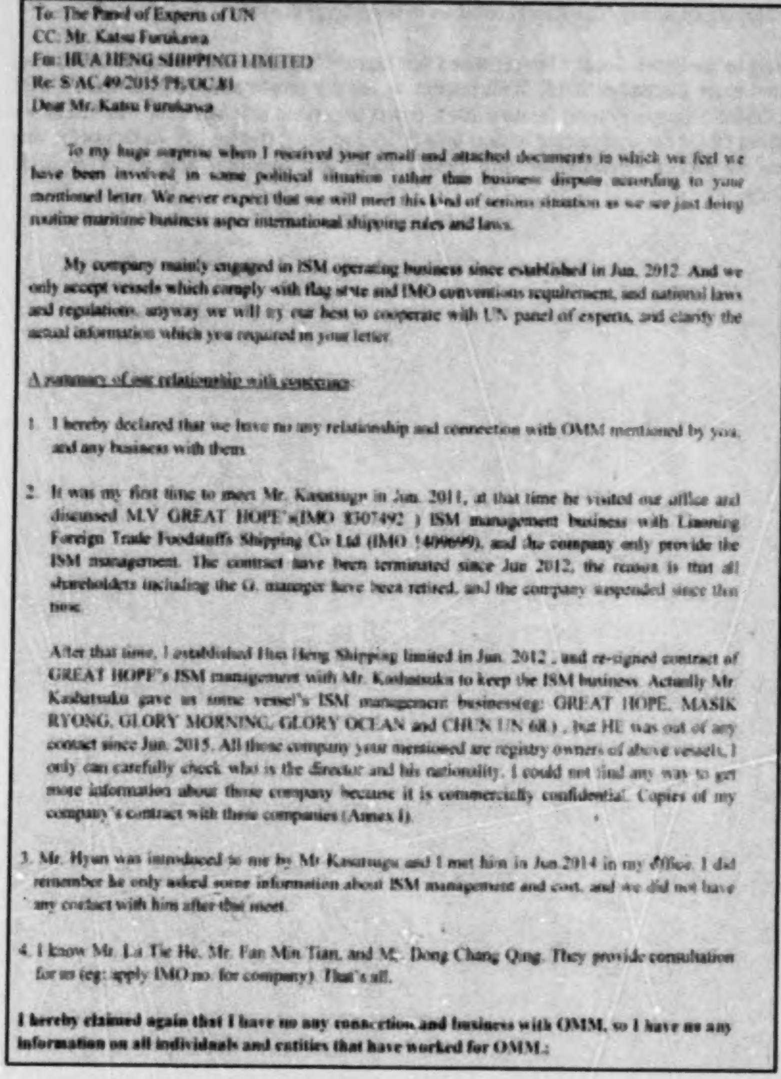
19. According to Senat, Bene Star operated *Dawnlight* under a bareboat charterer agreement with Senat of April 2014, using Hua Heng as ISM manager for this vessel until July 2015. The vessel was sold from Senat to Bene Star in September 2015. The Panel found that the Democratic People's Republic of Korea crews of the vessel included two individuals who were crew of OMM-controlled vessels (figure 10). Senat's lawyer stated that one of them

was employed by Bene Star. It was also stated that almost all Democratic People's Republic of Korea crew members would have worked for OMM at some point because OMM was the largest shipping company. The Panel continues to investigate the crews' links to OMM.

20. In replying to the Panel, Senat's lawyer stated that Senat's business relations with OMM was terminated since December 2011. With respect to Senat's employment of Mr. Kim Yu Il (former OMM Singapore) until January 2014, it was explained that Mr. Kim was tasked to collect from OMM the outstanding bunker bills (US$ 2 million) (figure 10). At this point, the Panel has no further evidence showing Senat's direct link to OMM after the July 2014 designation.

Figure 1. Correspondence from Mr. Li Anshan

Correspondence of 23 December 2015



To: The Panel of Experts of UN
CC: Mr. Katsu Furukawa
Fm: HUA HENG SHIPPING LIMITED
Re: S/AC.49/2015/PE/OC.81
Dear Mr. Katsu Furukawa

To my huge surprise when I received your email and attached documents in which we feel we have been involved in some political situation rather than business dispute according to your mentioned letter. We never expect that we will meet this kind of serious situation as we are just doing routine maritime business asper international shipping rules and laws.

My company mainly engaged in ISM operating business since established in Jun. 2012. And we only accept vessels which comply with flag state and IMO conventions requirement, and national laws and regulations. anyway we will try our best to cooperate with UN panel of experts, and clarify the actual information which you required in your letter.

A summary of our relationship with concerning:

1. I hereby declared that we have no any relationship and connection with OMM mentioned by you, and any business with them.

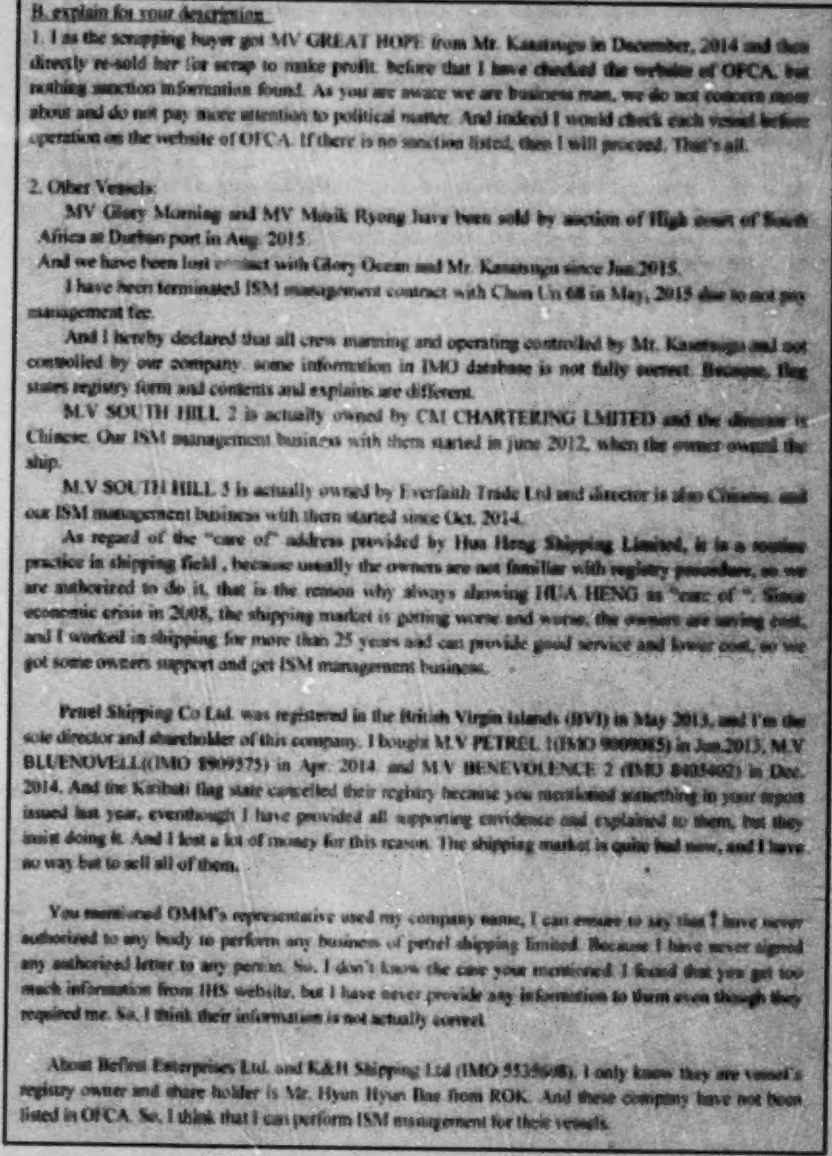
2. It was my first time to meet Mr. Kasatsuga in Jun. 2011, at that time he visited our office and discussed M.V GREAT HOPE's(IMO 8307492) ISM management business with Liaoning Foreign Trade Foodstuffs Shipping Co Ltd (IMO 1409699), and the company only provide the ISM management. The contract have been terminated since Jun 2012, the reason is that all shareholders including the G. manager have been retired, and the company suspended since that time.

   After that time, I established Hua Heng Shipping limited in Jun. 2012 , and re-signed contract of GREAT HOPE's ISM management with Mr. Kashatsuka to keep the ISM business. Actually Mr. Kashatsuka gave us some vessel's ISM management business(eg: GREAT HOPE, MASIK RYONG, GLORY MORNING, GLORY OCEAN and CHUN UN 68) , but HE was out of any contact since Jun. 2015. All those company your mentioned are registry owners of above vessels, I only can carefully check who is the director and his nationality. I could not find any way to get more information about those company because it is commercially confidential. Copies of my company's contract with these companies (Annex I).

3. Mr. Hyun was introduced to me by Mr Kasatsuga and I met him in Jun.2014 in my office. I did remember he only asked some information about ISM management and cost, and we did not have any contact with him after that meet.

4. I know Mr. La Tie He, Mr. Fan Min Tian, and Mr. Dong Chang Qing. They provide consultation for us (eg: apply IMO no. for company). That's all.

I hereby claimed again that I have no any connection and business with OMM, so I have no any information on all individuals and entities that have worked for OMM.:



B. explain for your description

1. I as the scrapping buyer got MV GREAT HOPE from Mr. Kasatsugu in December, 2014 and then directly re-sold her for scrap to make profit. before that I have checked the website of OFCA, but nothing sanction information found. As you are aware we are business man, we do not concern more about and do not pay more attention to political matter. And indeed I would check each vessel before operation on the website of OFCA. If there is no sanction listed, then I will proceed. That's all.

2. Other Vessels:

MV Glory Morning and MV Musik Ryong have been sold by auction of High court of South Africa at Durban port in Aug. 2015.

And we have been lost contact with Glory Ocean and Mr. Kasatsugu since Jun.2015.

I have been terminated ISM management contract with Chon Un 68 in May, 2015 due to not pay management fee.

And I hereby declared that all crew manning and operating controlled by Mr. Kasatsugu and not controlled by our company. some information in IMO database is not fully correct. Because, flag states registry form and contents and explains are different.

M.V SOUTH HILL 2 is actually owned by CM CHARTERING LMITED and the director is Chinese. Our ISM management business with them started in june 2012, when the owner owned the ship.

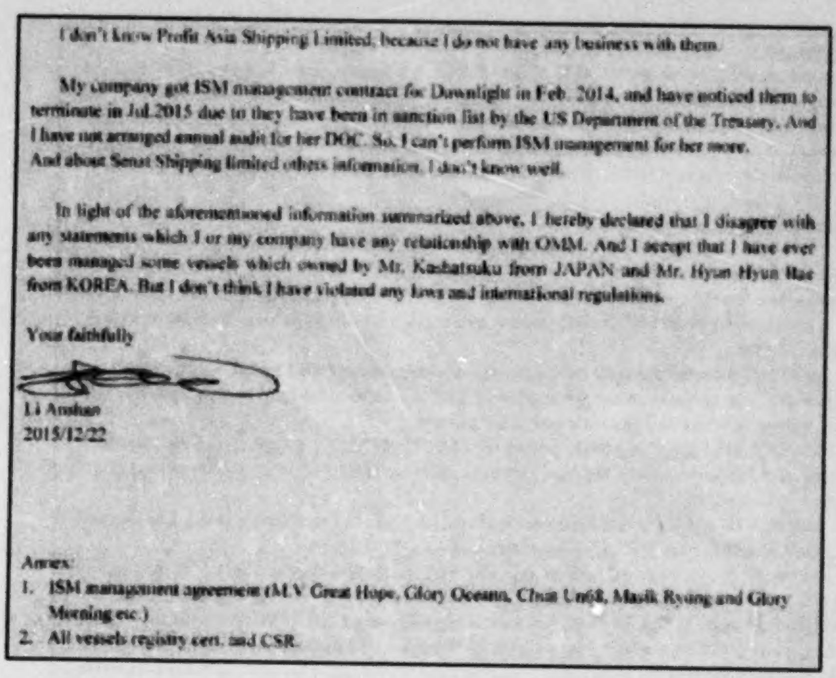
M.V SOUTH HILL 5 is actually owned by Everfaith Trade Ltd and director is also Chinese. and our ISM management business with them started since Oct. 2014.

As regard of the "care of" address provided by Hua Heng Shipping Limited, it is a routine practice in shipping field , because usually the owners are not familiar with registry procedure, so we are authorized to do it, that is the reason why always showing HUA HENG as "care of ". Since economic crisis in 2008, the shipping market is getting worse and worse, the owners are saving cost, and I worked in shipping for more than 25 years and can provide good service and lower cost, so we got some owners support and get ISM management business.

Petrel Shipping Co Ltd. was registered in the British Virgin islands (BVI) in May 2013, and I'm the sole director and shareholder of this company. I bought M.V PETREL 1(IMO 9009085) in Jun.2013, M.V BLUENOVELL(IMO 8909575) in Apr. 2014. and M.V BENEVOLENCE 2 (IMO 8405402) in Dec. 2014. And the Kiribati flag state cancelled their registry because you mentioned something in your report issued last year, eventhough I have provided all supporting cevidence and explained to them, but they insist doing it. And I lost a lot of money for this reason. The shipping market is quite bad now, and I have no way but to sell all of them.

You mentioned OMM's representative used my company name, I can ensure to say that I have never authorized to any body to perform any business of petrel shipping limited. Because I have never signed any authorized letter to any person. So, I don't know the case your mentioned. I found that you get too much information from IHS website, but I have never provide any information to them even though they required me. So, I think their information is not actually correct.

About Before Enterprises Ltd. and K&H Shipping Ltd (IMO 5535608). I only know they are vessel's registry owner and share holder is Mr. Hyun Hyun Bae from ROK. And these company have not been listed in OFCA. So, I think that I can perform ISM management for their vessels.



I don't know Profit Asia Shipping Limited, because I do not have any business with them.

My company got ISM management contract for Downlight in Feb. 2014, and have noticed them to terminate in Jul.2015 due to they have been in sanction list by the US Department of the Treasury. And I have not arranged annual audit for her DOC. So, I can't perform ISM management for her more.
And about Senat Shipping limited others information, I don't know well.

In light of the aforementioned information summarized above, I hereby declared that I disagree with any statements which I or my company have any relationship with OMM. And I accept that I have ever been managed some vessels which owned by Mr. Kashatsuku from JAPAN and Mr. Hyun Hyun Bae from KOREA. But I don't think I have violated any laws and international regulations.

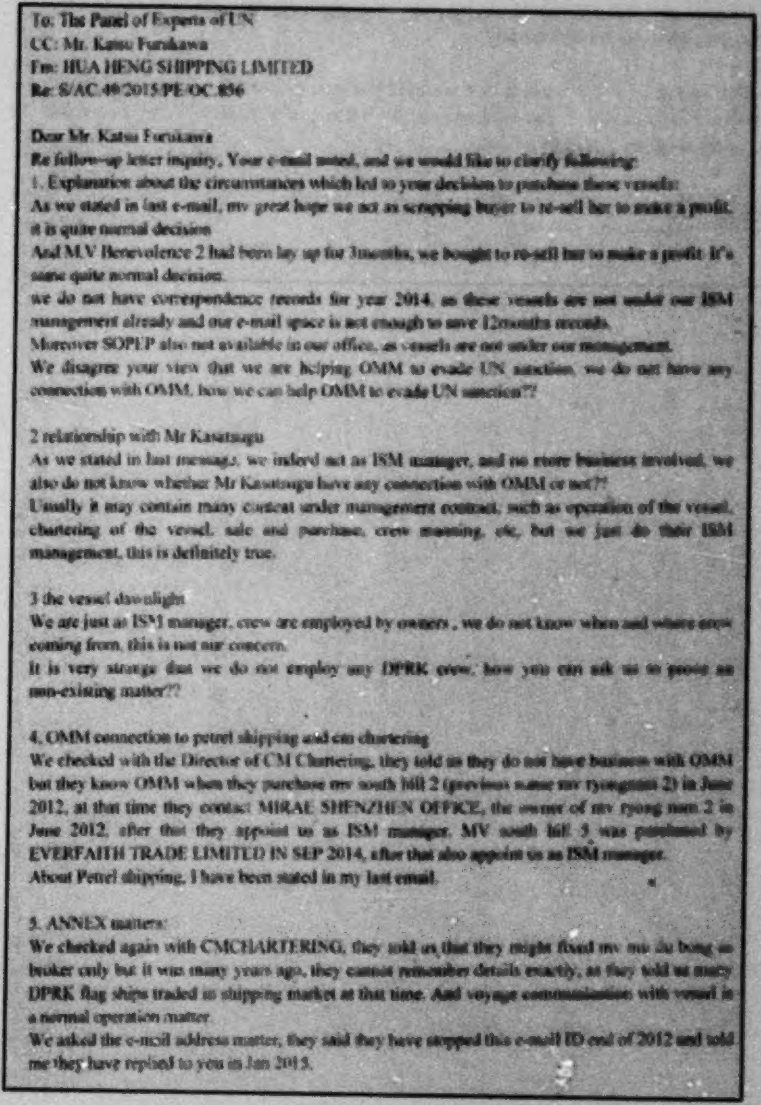
Your faithfully

Li Anshan
2015/12/22

Annex:

1. ISM management agreement (M.V Great Hope, Glory Oceans, Chun Un68, Masik Ryong and Glory Morning etc.)
2. All vessels registry cert. and CSR.

Correspondence of 31 December 2015



To: The Panel of Experts of UN
CC: Mr. Katsu Furukawa
Fm: HUA HENG SHIPPING LIMITED
Re: S/AC.49/2015/PE/OC.856

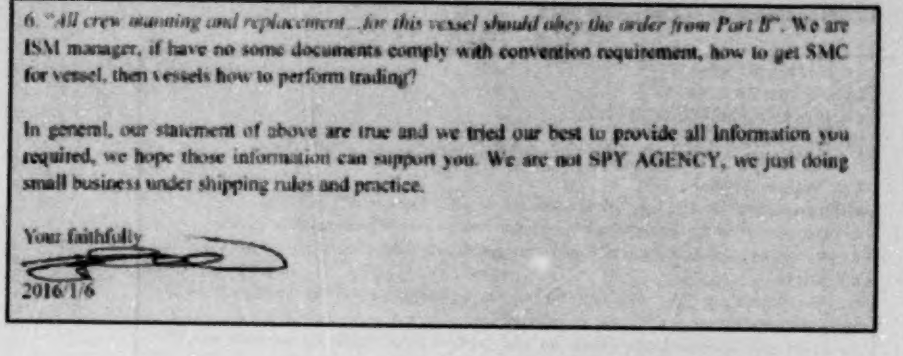
Dear Mr. Katsu Furukawa
Re follow-up letter inquiry, Your e-mail noted, and we would like to clarify following:
1. Explanation about the circumstances which led to your decision to purchase these vessels:
As we stated in last e-mail, mv great hope we act as scrapping buyer to re-sell her to make a profit, it is quite normal decision
And M.V Benevolence 2 had been lay up for 3months, we bought to re-sell her to make a profit. It's same quite normal decision.
we do not have correspondence records for year 2014, as these vessels are not under our ISM management already and our e-mail space is not enough to save 12months records.
Moreover SOPEP also not available in our office, as vessels are not under our management.
We disagree your view that we are helping OMM to evade UN sanction, we do not have any connection with OMM, how we can help OMM to evade UN sanction??

2 relationship with Mr Kasatsugu
As we stated in last message, we indeed act as ISM manager, and no more business involved, we also do not know whether Mr Kasatsugu have any connection with OMM or not??
Usually it may contain many content under management contract, such as operation of the vessel, chartering of the vessel, sale and purchase, crew manning, etc, but we just do their ISM management, this is definitely true.

3 the vessel dawnlight
We are just as ISM manager, crew are employed by owners , we do not know when and where crew coming from, this is not our concern.
It is very strange that we do not employ any DPRK crew, how you can ask us to prove an non-existing matter??

4. OMM connection to petrel shipping and cm chartering
We checked with the Director of CM Chartering, they told us they do not have business with OMM but they know OMM when they purchase mv south hill 2 (previous name mv ryongnam 2) in June 2012, at that time they contact MIRAE SHENZHEN OFFICE, the owner of mv ryong nam 2 in June 2012, after that they appoint us as ISM manager. MV south hill 5 was purchased by EVERFAITH TRADE LIMITED IN SEP 2014, after that also appoint us as ISM manager.
About Petrel shipping, I have been stated in my last email.

5. ANNEX matters:
We checked again with CMCHARTERING, they told us that they might fixed mv mu du bong as broker only but it was many years ago, they cannot remember details exactly, as they told us many DPRK flag ships traded in shipping market at that time. And voyage communication with vessel is a normal operation matter.
We asked the e-mail address matter, they said they have stopped this e-mail ID end of 2012 and told me they have replied to you in Jan 2015.



6. *"All crew manning and replacement…for this vessel should obey the order from Part B"*. We are ISM manager, if have no some documents comply with convention requirement, how to get SMC for vessel, then vessels how to perform trading?

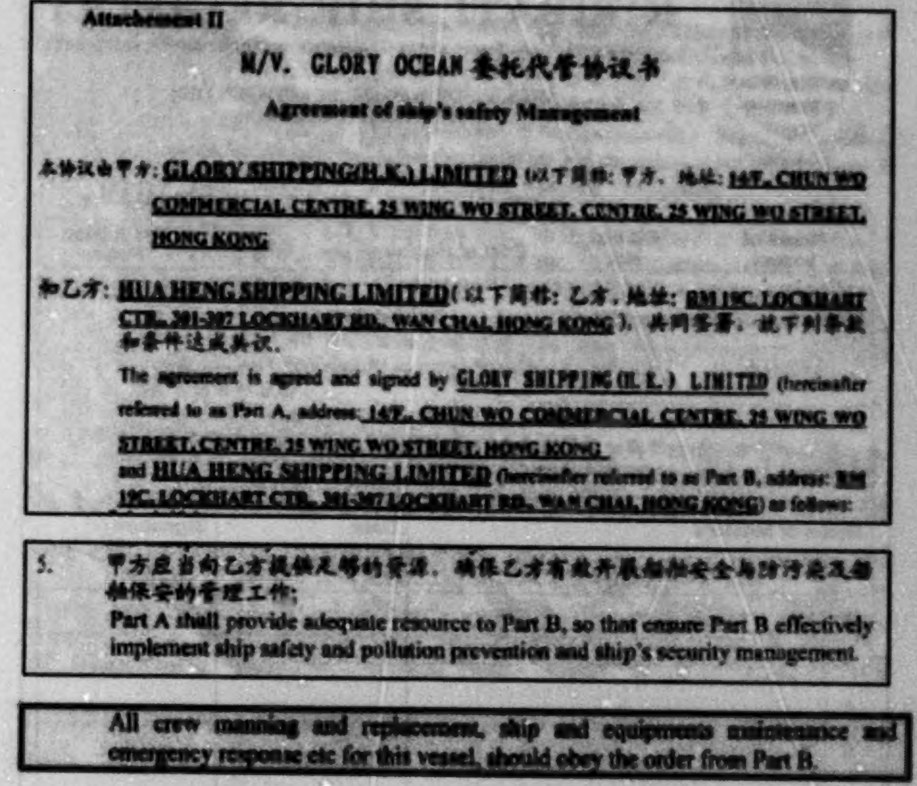
In general, our statement of above are true and we tried our best to provide all Information you required, we hope those information can support you. We are not SPY AGENCY, we just doing small business under shipping rules and practice.

Your faithfully

2016/1/6

Figure 2. Information on Hua Heng

An example of the agreement of ship's safety management



Attachement II

M/V. GLORY OCEAN 委托代管协议书

Agreement of ship's safety Management

本协议由甲方: **GLORY SHIPPING(H.K.) LIMITED** (以下简称: 甲方, 地址: **14/F., CHUN WO COMMERCIAL CENTRE, 25 WING WO STREET, CENTRE, 25 WING WO STREET, HONG KONG**

和乙方: **HUA HENG SHIPPING LIMITED** (以下简称: 乙方, 地址: **RM 19C, LOCKHART CTR., 301-307 LOCKHART RD., WAN CHAI, HONG KONG**), 共同签署, 就下列条款和条件达成共识.

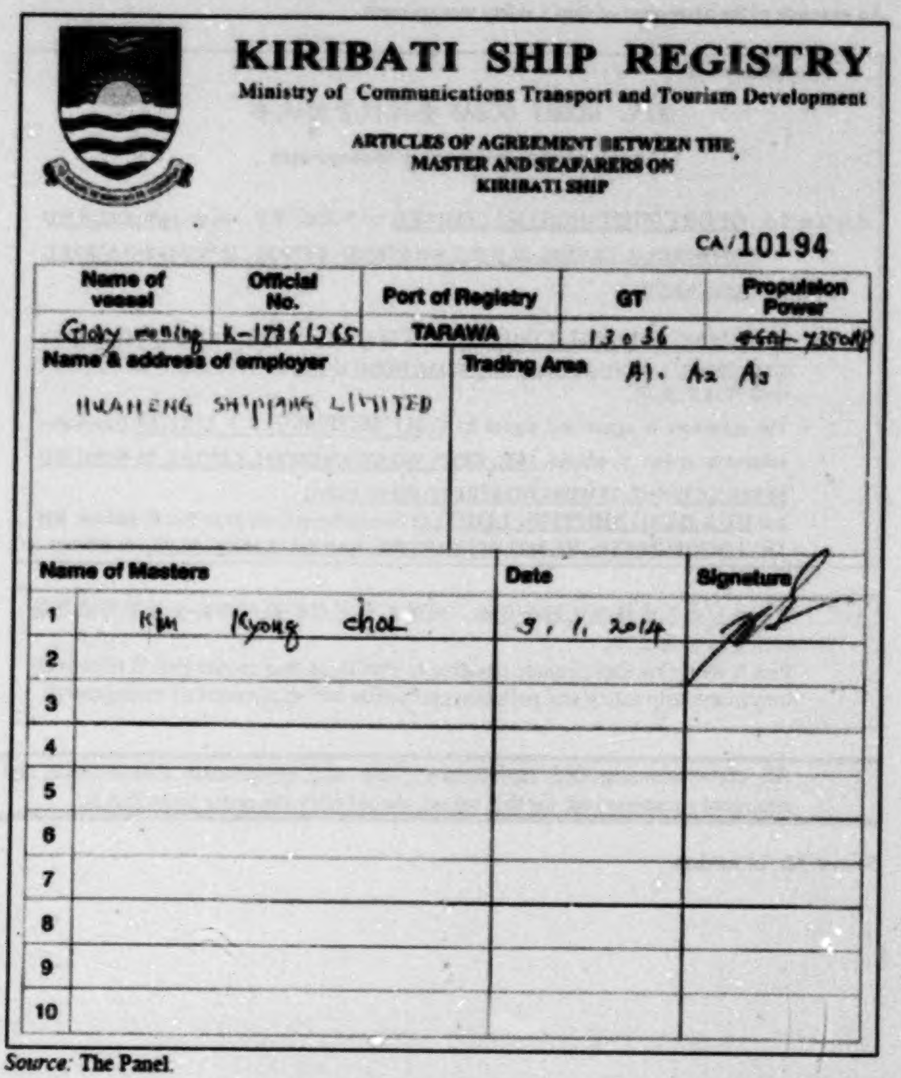
The agreement is agreed and signed by **GLORY SHIPPING (H.K.) LIMITED** (hereinafter referred to as Part A, address: **14/F., CHUN WO COMMERCIAL CENTRE, 25 WING WO STREET, CENTRE, 25 WING WO STREET, HONG KONG** and **HUA HENG SHIPPING LIMITED** (hereinafter referred to as Part B, address: **RM 19C, LOCKHART CTR., 301-307 LOCKHART RD., WAN CHAI, HONG KONG**) as follows:

5. 甲方应当向乙方提供足够的资源, 确保乙方有效开展船舶安全与防污染及船舶保安的管理工作;
Part A shall provide adequate resource to Part B, so that ensure Part B effectively implement ship safety and pollution prevention and ship's security management.

All crew manning and replacement, ship and equipments maintenance and emergency response etc for this vessel, should obey the order from Part B.

Source: Mr. Li Anshan.

Articles of agreement between the master and seafarers of the *Glory Morning* referring to Hua Heng Shipping Limited as "employer"



KIRIBATI SHIP REGISTRY

Ministry of Communications Transport and Tourism Development

ARTICLES OF AGREEMENT BETWEEN THE MASTER AND SEAFARERS ON KIRIBATI SHIP

CA/10194

Name of vessel	Official No.	Port of Registry	GT	Propulsion Power
Glory morning	K-17361265	TARAWA	13036	4601-7350HP

Name & address of employer: HUAHENG SHIPPING LIMITED

Trading Area: A1. A2 A3

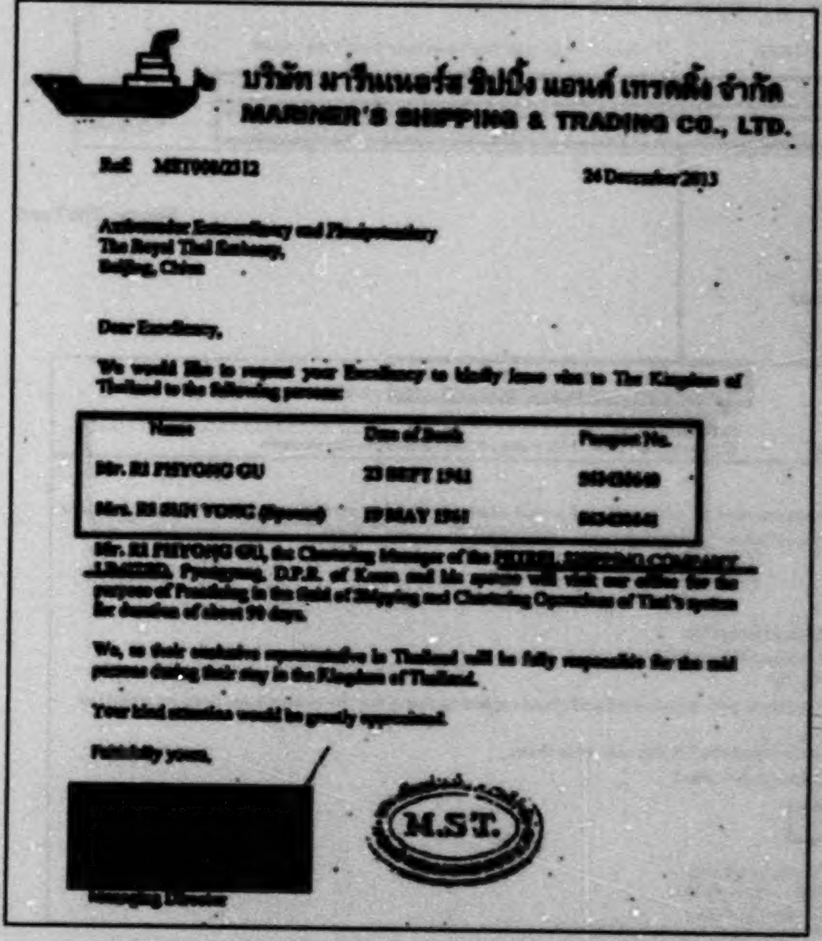
	Name of Masters	Date	Signature
1	Kim Kyong chol	9. 1. 2014	
2			
3			
4			
5			
6			
7			
8			
9			
10			

Source: The Panel.

Figure 3. Information on Mr. Ri Phyong Gu

An official document referring to Mr. Ri Phyong Gu's connection to Petrel Shipping Company Limited

A Thailand-based company's request for Thailand to issue visa for Mr. Ri Phyong Gu



บริษัท มารีนเนอร์ส ชิปปิ้ง แอนด์ เทรดดิ้ง จำกัด
MARINER'S SHIPPING & TRADING CO., LTD.

Ref: MST[illegible]

24 December 2013

Ambassador Extraordinary and Plenipotentiary
The Royal Thai Embassy,
Beijing, China

Dear Excellency,

We would like to request your Excellency to kindly issue visa to The Kingdom of Thailand to the following persons:

Name	Date of Birth	Passport No.
Mr. RI PHYONG GU	23 SEPT [illegible]	[illegible]
Mrs. RI SUN YONG (Spouse)	[illegible] MAY [illegible]	[illegible]

Mr. RI PHYONG GU, the Chartering Manager of the PETREL SHIPPING COMPANY LIMITED, Pyongyang, D.P.R. of Korea and his spouse will visit our office for the purpose of Practicing in the field of Shipping and Chartering Operations of Thai's system for duration of about 90 days.

We, as their exclusive representative in Thailand will be fully responsible for the said persons during their stay in the Kingdom of Thailand.

Your kind attention would be greatly appreciated.

Faithfully yours,

[redacted]

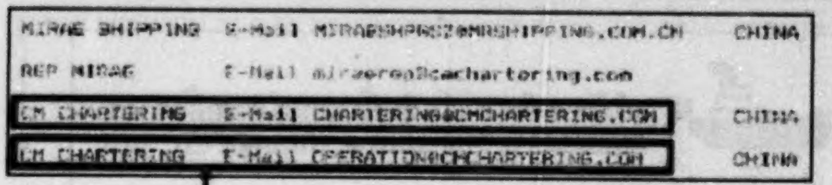
M.S.T.

Managing Director

Source: The Panel.

Figure 4. CM Chartering's email address

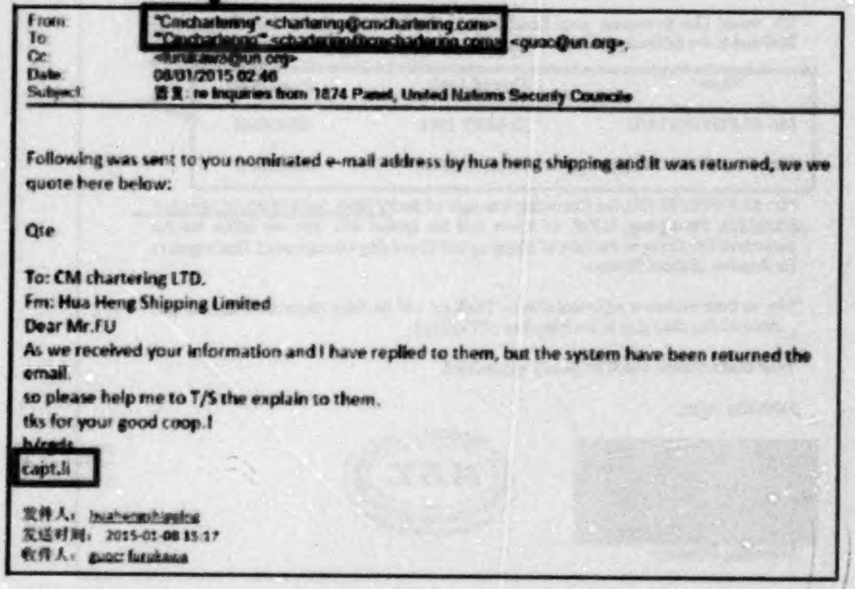
A directory obtained by the Panel from the *Mu Du Bong* lists multiple OMM-associated entities connected to this vessel, which includes "MIRAE SHIPPING" and "CM Chartering".



MIRAE SHIPPING	E-Mail	MIRAESHPRC2@MRSHIPPING.COM.CN	CHINA
REP MIRAE	E-Mail	miraerep@cmchartering.com	
CM CHARTERING	E-Mail	CHARTERING@CMCHARTERING.COM	CHINA
CM CHARTERING	E-Mail	OPERATION@CMCHARTERING.COM	CHINA

Source: The Panel

Reference



From: "Cmchartering" <chartering@cmchartering.com>
To: "Cmchartering" <chartering@cmchartering.com>, <guoc@un.org>,
Cc: <furukawa@un.org>
Date: 08/01/2015 02:46
Subject: 回复: re Inquiries from 1874 Panel, United Nations Security Councile

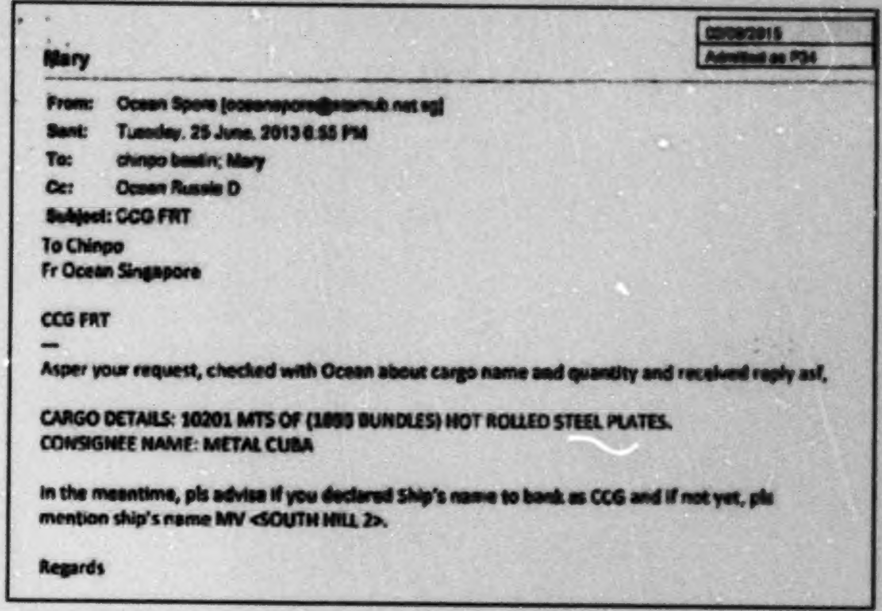
Following was sent to you nominated e-mail address by hua heng shipping and it was returned, we we quote here below:

Qte

To: CM chartering LTD.
Fm: Hua Heng Shipping Limited
Dear Mr.FU
As we received your information and I have replied to them, but the system have been returned the email.
so please help me to T/S the explain to them.
tks for your good coop.!
b/rgds
capt.li

发件人: huahengshipping
发送时间: 2015-01-08 15:17
收件人: guoc furukawa

Figure 5. OMM Singapore's email instruction to Chinpo referring to *South Hill 2*



03/09/2015
Admitted as P34

Mary

From: Ocean Spore [oceanspore@starhub.net.sg]
Sent: Tuesday, 25 June, 2013 6:55 PM
To: chinpo bealin; Mary
Cc: Ocean Russia D
Subject: CCG FRT

To Chinpo
Fr Ocean Singapore

CCG FRT
—
Asper your request, checked with Ocean about cargo name and quantity and received reply asf,

CARGO DETAILS: 10201 MTS OF (1880 BUNDLES) HOT ROLLED STEEL PLATES.
CONSIGNEE NAME: METAL CUBA

In the meantime, pls advise if you declared Ship's name to bank as CCG and if not yet, pls mention ship's name MV <SOUTH HILL 2>.

Regards

Source: Singapore.

STRICTLY CONFIDENTIAL*

Figure 6.

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*The annex has not been reproduced in the present document because it is strictly confidential.

Figure 7. Information on Dalian Sea Glory

Through its investigation, the Panel has identified that Sea Star Ship Co Ltd and Hua Heng Shipping Limited are managed by the same three Chinese nationals who are linked to a Dalian-based company, Dalian Sea Glory Shipping Co Ltd, which was possibly involved in an incident of violation in 2011.

Hua Heng Shipping Limited is registered both in Hong Kong and in Panama.
The Panamanian registration record provides the following three Chinese individuals as the "Authorized Official" for Hua Heng Shipping:

- **Lu Tie He**
- **Fan Min Tian**
- **Dong Chang Qing**

These individuals are also listed in the Hong Kong company registration database as the shareholders and current/former directors of Sea Star Ship Co., Ltd (Hong Kong company number).

They are registered in Hong Kong with an address "Room 09, Chengda Building, Renmin Road, Zhongshan District, Dalian, Liaoning Province, China". This address has been used by Dalian Sea Glory Shipping Co Ltd, which shows that these three individuals are also affiliated with Dalian Sea Glory Shipping Co Ltd.

From May 2006 to July 2011, Dalian Sea Glory Shipping Co Ltd was listed in the IMO database as the ship manager and operator of the vessel *Light* (IMO 8415433). In May 2011, the United States Navy attempted to inspect this vessel because "it had reasonable grounds to believe the vessel was transferring proliferation-related items" (Letter from United States to 1718 Committee dated 24 August 2011 [ref./AC.49.2011/COMM.26]). After this incident, this vessel was renamed in July 2011 to *Victory 3* and re-registered in August 2011 with a new ship manager and operator of Sea Star Ship Co Ltd.

Figure 7-1. Correspondence from Mr. Fan Min Tan

Email correspondence from Mr. Fan of 23 December 2015.

Dear *[abbreviated]*,

刚与您办公室通电话，关于安理会调查一事，本人澄清理顺以下：

1、 Dalian Sea Glory Shipping Co.,Limited 已于2015年10月正式注销，解体。

2、 V - Star ships co.Ltd. 于2014年10 月更换股东， 目前只有股东一人（ 范民田），完全由 范民田 操作该公司。

3. Sea star ships Co Ltd 于2014年 更换股东， 范民田及董长青 不是该公司股东，不参与该公司任何事务。

4、 范民田/董长青/吕铁和 三人于2014 年9月分开，不在一起共事，各自独立工作。

5、 对于Hua beng shipping limited 是个管理公司，我们只做顾问咨询，协助船舶登记检验 事宜，因为 上述三人是船旗国验船师，做合理工作。

6、 V-star ships co.,Ltd. 与OMMC 及Chinpo /cuba 没有任何联系，更不涉及这条船Chon Chong Gang 任何操作， 记得2013 年汇款一事， 有个公司 与 V-star ships Co.,Ltd 很相似，那家公司是blacklist，美国以为是同一家公司，后来我 们解释一下就没事了，信箱出过问题，当时 回复内容都丢失了。

7. 关于Victory 3 ，再次澄清 我们以前只是做ISM &ISPS， 不涉及任何商务及技术服务， 这条船是中国船东（Ever ocean shipping agency Co）, *[abbreviated]*， 如果违反联合国对朝鲜制裁政策，将通知*[abbreviated]*解除管理。

8. 如有任何想知道的， 随时联系我：*[abbreviated]*

顺祝圣诞快乐！

范民田

English translation

I have just spoken with your office by telephone. Regarding the Security Council investigation, I hereby make the following clarifications：

1. Dalian Sea Glory Shipping Co., Limited formally cancelled its registration in October 2015 and has [thus] been dissolved.

2. V-Star Ships Co. Ltd. changed ownership in October 2014, and currently has a single owner (Mintian FAN). The company is solely operated by Mintian FAN.

3. Sea Star Ships Co. Ltd. changed ownership in 2014; Mintian FAN and Changqing DONG are not shareholders in that company, and they do not take part in any of its business.

4. Mintian FAN, Changqing DONG and Tiehe LÜ separated in September 2014. They do not work together, as each now has his own job.

5. Hua Heng Shipping Limited is a management company; we only provide consultancy and assistance in ship registration and inspection. As the above-mentioned three individuals are flag state ship surveyors, [we] work accordingly.

6. V-Star Ships Co., Ltd. has no connection of any kind with OMMC or Chinpo/Cuba, nor is it involved with any operations of the vessel Chon Chong Gang. I recall the 2013 wire transfer; because there was a company [whose name was] very similar to V-Star Ships Co., Ltd., and that company was on the blacklist, the U.S. believed they were the same; we later [provided] clarification and the issue blew over. As there have been problems with my email account in the past, [however,] my [email] responses at the time have all been lost.

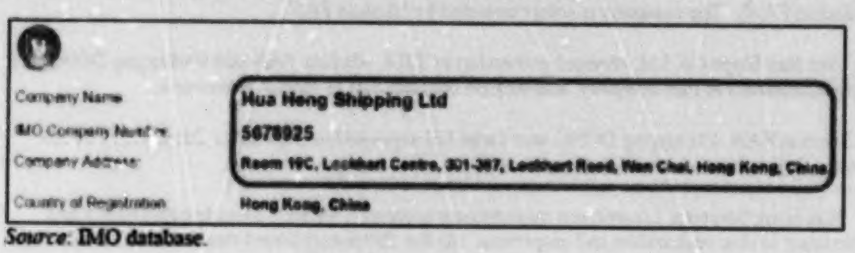
7. As to the Victory 3, let me clarify once again that we provided ISM &ISPS only [for that vessel], and were not involved in [providing] any business or technical services. This vessel is owned by a Chinese ship owner (Ever Ocean Shipping Agency Co.), while *[abbreviated]* act as the general agent for its operations. If the vessel has violated UN sanctions policies regarding the DPRK, *[abbreviated]*will be notified that the management contract shall be terminated immediately.

8. For any further information, you can reach me any time at: *[abbreviated]*

Wishing you a Merry Christmas!

Mintian FAN

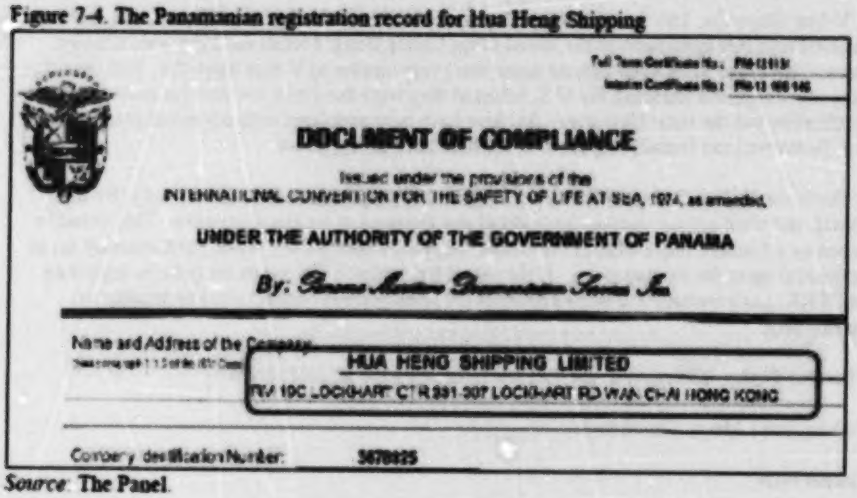
Figure 7-3. The IMO registration record for Hua Heng Shipping



Company Name	**Hua Heng Shipping Ltd**
IMO Company Number	**5678925**
Company Address:	**Room 19C, Lockhart Centre, 301-307, Lockhart Road, Wan Chai, Hong Kong, China**
Country of Registration	**Hong Kong, China**

Source: IMO database.

Figure 7-4. The Panamanian registration record for Hua Heng Shipping



Full Term Certificate No.: [illegible]
Interim Certificate No.: [illegible]

DOCUMENT OF COMPLIANCE

Issued under the provisions of the
INTERNATIONAL CONVENTION FOR THE SAFETY OF LIFE AT SEA, 1974, as amended,

UNDER THE AUTHORITY OF THE GOVERNMENT OF PANAMA

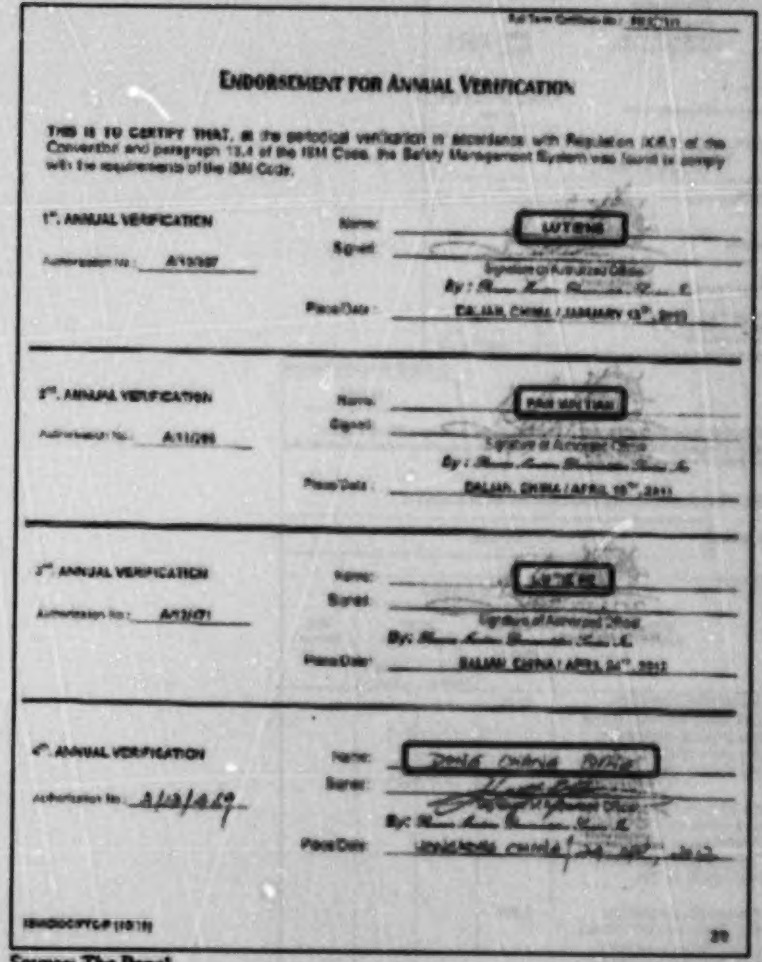
By: Panama Maritime Documentation Services Inc.

Name and Address of the Company: HUA HENG SHIPPING LIMITED
RM 19C LOCKHART CTR 301-307 LOCKHART RD WAN CHAI HONG KONG

Company Identification Number: 5678925

Source: The Panel.

Figure 7-4 The Panamanian registration record for Hua Heng Shipping referring to "Authorized Official"



Full Term Certificate No.: [illegible]

ENDORSEMENT FOR ANNUAL VERIFICATION

THIS IS TO CERTIFY THAT, at the periodical verification in accordance with Regulation IX/6.1 of the Convention and paragraph 13.4 of the ISM Code, the Safety Management System was found to comply with the requirements of the ISM Code.

1st. ANNUAL VERIFICATION
Authorization No.: [illegible]
Name: [illegible]
Signed:
Signature of Authorized Official
By: [illegible]
Place/Date: DALIAN, CHINA / JANUARY [illegible]

2nd. ANNUAL VERIFICATION
Authorization No.: [illegible]
Name: [illegible]
Signed:
Signature of Authorized Official
By: [illegible]
Place/Date: DALIAN, CHINA / APRIL [illegible], 2011

3rd. ANNUAL VERIFICATION
Authorization No.: [illegible]
Name: [illegible]
Signed:
Signature of Authorized Official
By: [illegible]
Place/Date: DALIAN, CHINA / APRIL 24th, 2012

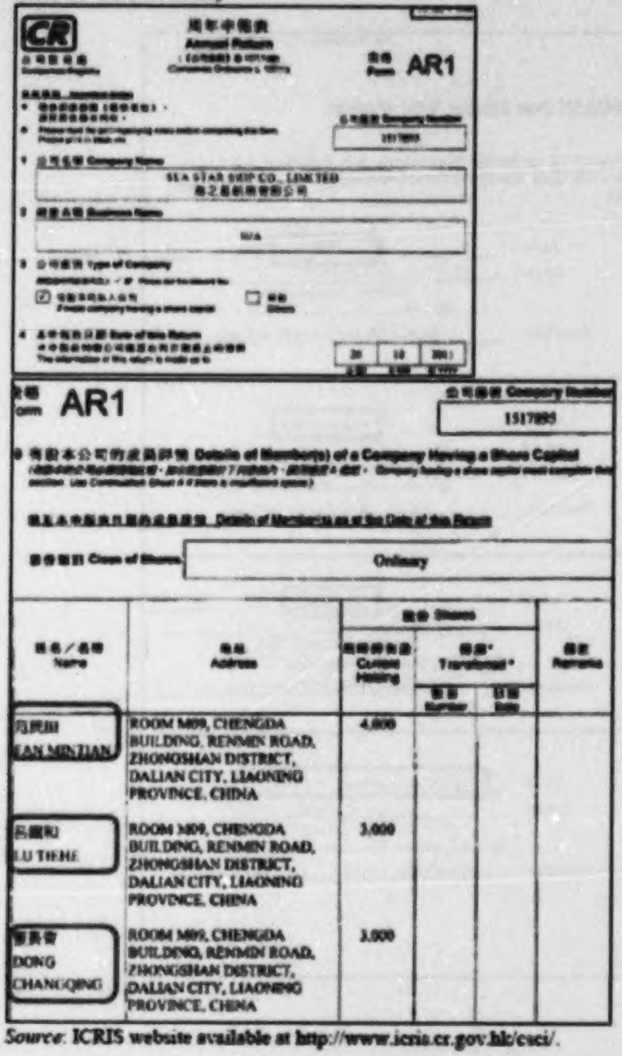
4th. ANNUAL VERIFICATION
Authorization No.: [illegible]
Name: [illegible]
Signed:
Signature of Authorized Official
By: [illegible]
Place/Date: [illegible] CHINA / [illegible]

[illegible]

20

Source: The Panel.

Figure 7-5. The Hong Kong registration record for Sea Star Ship Co., Limited (Annual return dated 20 October 2011)



CR

Annual Return

Form AR1

Company Name

SEA STAR SHIP CO., LIMITED

Business Name

N/A

Type of Company

☑

☐

Date of this Return

20 | 10 | 2011

Form AR1

Company Number

1517895

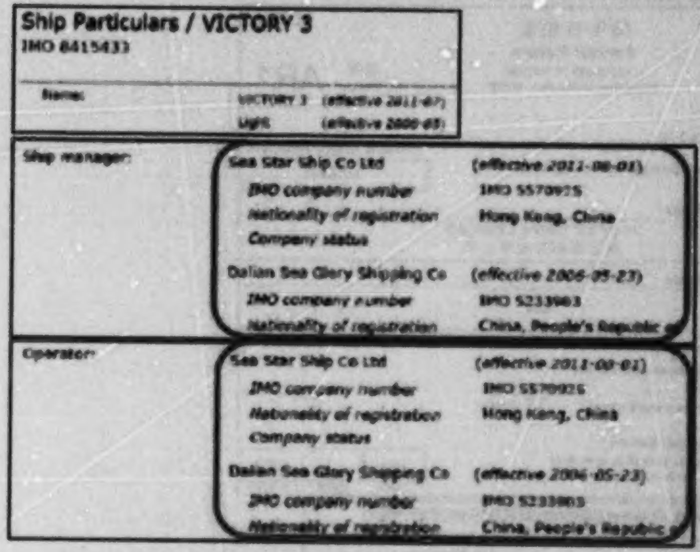
Details of Member(s) of a Company Having a Share Capital

Class of Shares: Ordinary

Name	Address	Shares: Current Holding	Shares: Transferred* Number	Shares: Transferred* Date	Remarks
[illegible] AN MINTIAN	ROOM M09, CHENGDA BUILDING, RENMIN ROAD, ZHONGSHAN DISTRICT, DALIAN CITY, LIAONING PROVINCE, CHINA	4,000			
[illegible] LU TIEHE	ROOM M09, CHENGDA BUILDING, RENMIN ROAD, ZHONGSHAN DISTRICT, DALIAN CITY, LIAONING PROVINCE, CHINA	3,000			
[illegible] DONG CHANGQING	ROOM M09, CHENGDA BUILDING, RENMIN ROAD, ZHONGSHAN DISTRICT, DALIAN CITY, LIAONING PROVINCE, CHINA	3,000			

Source: ICRIS website available at http://www.icris.cr.gov.hk/csci/.

Figure 7-6. Information on the *Victory 3*



Ship Particulars / VICTORY 3
IMO 8415433

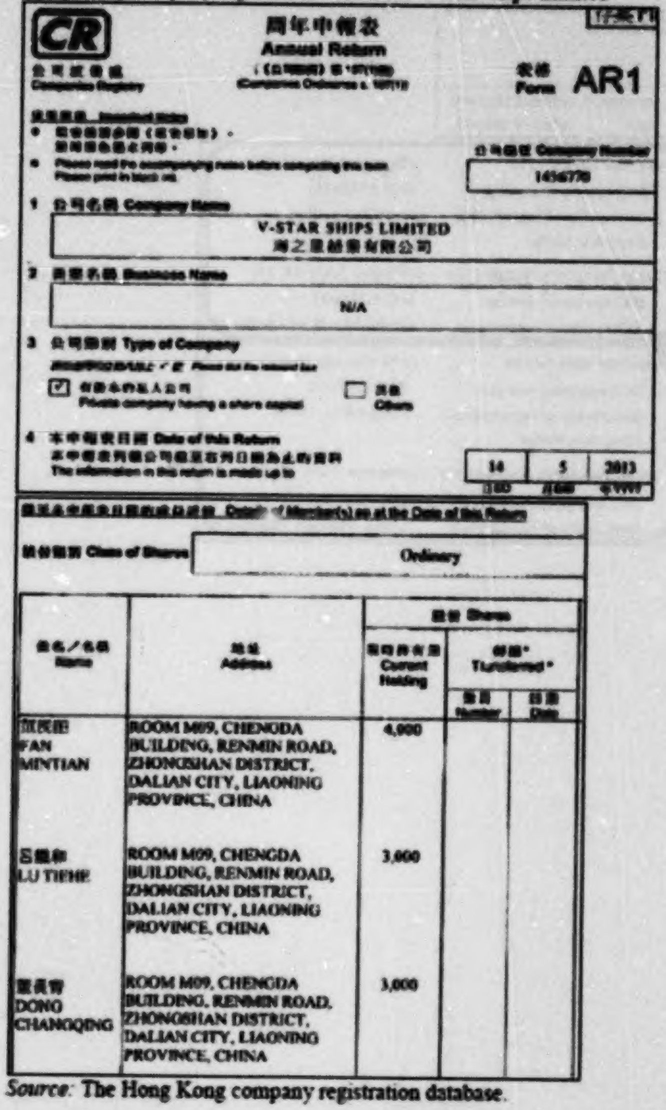
Name: VICTORY 3 (effective 2011-07)
Light (effective 2000-05)

Ship manager:
Sea Star Ship Co Ltd (effective 2011-08-01)
IMO company number IMO 5570925
Nationality of registration Hong Kong, China
Company status
Dalian Sea Glory Shipping Co (effective 2006-05-23)
IMO company number IMO 5233963
Nationality of registration China, People's Republic

Operator:
Sea Star Ship Co Ltd (effective 2011-08-01)
IMO company number IMO 5570925
Nationality of registration Hong Kong, China
Company status
Dalian Sea Glory Shipping Co (effective 2006-05-23)
IMO company number IMO 5233963
Nationality of registration China, People's Republic

Source: IMO database.

Figure 7-7. Information on V-Star Ships Limited
Hong Kong company registration record for V-Star Ships Limited



周年申報表
Annual Return

Form AR1

Company Number: 1456770

1 Company Name

V-STAR SHIPS LIMITED

2 Business Name

N/A

3 Type of Company

☑ Private company having a share capital

☐ Others

4 Date of this Return

The information in this return is made up to

14	5	2013

Class of Shares: Ordinary

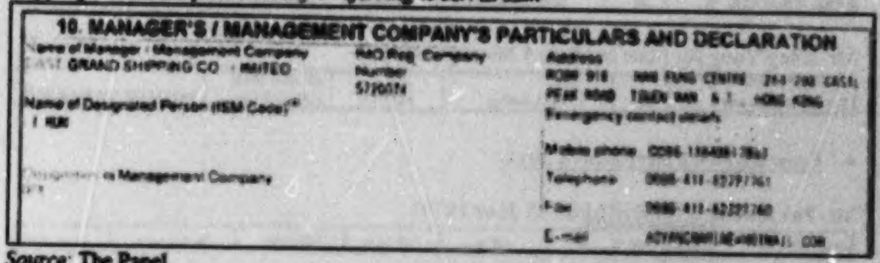
Name	Address	Shares: Current Holding	Shares: Transferred*: Number	Shares: Transferred*: Date
FAN MINTIAN	ROOM M09, CHENGDA BUILDING, RENMIN ROAD, ZHONGSHAN DISTRICT, DALIAN CITY, LIAONING PROVINCE, CHINA	4,000		
LU TIEHE	ROOM M09, CHENGDA BUILDING, RENMIN ROAD, ZHONGSHAN DISTRICT, DALIAN CITY, LIAONING PROVINCE, CHINA	3,000		
DONG CHANGQING	ROOM M09, CHENGDA BUILDING, RENMIN ROAD, ZHONGSHAN DISTRICT, DALIAN CITY, LIAONING PROVINCE, CHINA	3,000		

Source: The Hong Kong company registration database.

Figure 8. Aoyang International and East Grand Shipping

The contact person for Aoyang International Company Limited (澳洋國際有限公司) is listed on commercial company websites as Mr. Li Kun (李鹍). He is also listed as a designated person for the Fertility 9 of East Grand Shipping Co Ltd (IMO 5720074) on the vessel's registration document.

Shipping document of the Fertility 9 referring to Mr. Li Kun



10. MANAGER'S / MANAGEMENT COMPANY'S PARTICULARS AND DECLARATION

Name of Manager / Management Company
EAST GRAND SHIPPING CO LIMITED

IMO Reg. Company Number
5720074

Address

Name of Designated Person (ISM Code)

Emergency contact details

Mobile phone

Telephone

Fax

E-mail

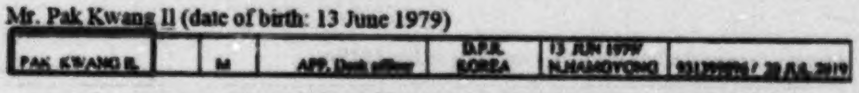
Source: The Panel.

Figure 8-1. Grand Karo

DPRK crew members affiliated with OMM-controlled vessels who were *Grand Karo*'s crew as of 2014

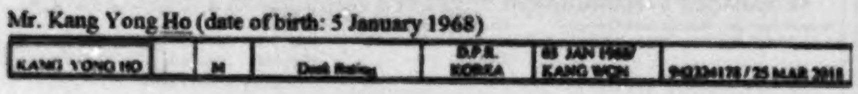
- Crew list of the *Grand Karo* of 2014

Mr. Pak Kwang Il (date of birth: 13 June 1979)



PAK KWANG IL		M	APP. Deck officer	D.P.R. KOREA	13 JUN 1979/ N.HAMGYONG	[illegible] / 20 JUL 2019

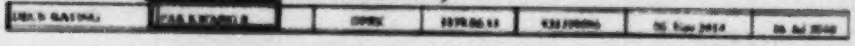
Mr. Kang Yong Ho (date of birth: 5 January 1968)



KANG YONG HO		M	Deck Rating	D.P.R. KOREA	05 JAN 1968/ KANG WON	942324178 / 25 MAR 2018

- Crew list of the *Jang San* of 2011

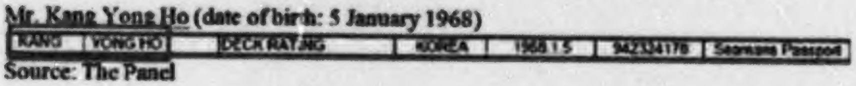
Mr. Pak Kwang Il (date of birth: 13 June 1979)



[illegible]	PAK KWANG IL		DPRK	1979.06.13	[illegible]	[illegible] 2014	[illegible]

- Crew list of the *Po Thong Gang* of 2011

Mr. Kang Yong Ho (date of birth: 5 January 1968)



KANG	YONG HO		DECK RATING	KOREA	1968.1.5	942324178	Seamans Passport

Source: The Panel

Figure 9. Shenghao Marine

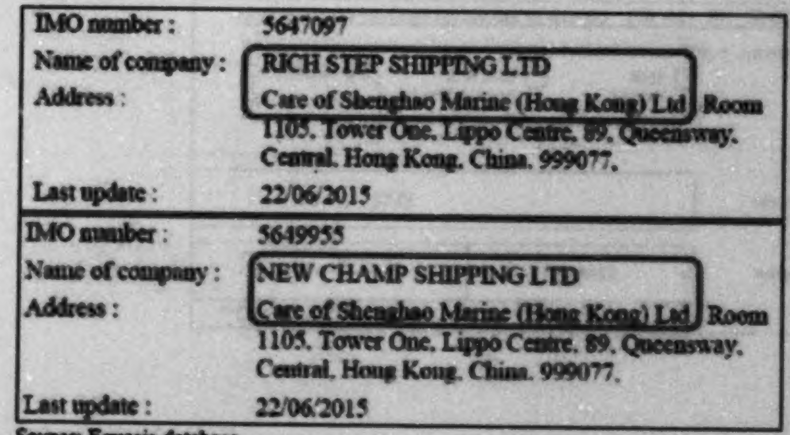
Shenghao Marine Hong Kong Ltd is connected to Mr. Kasatsugu through at least two companies and two vessels.

- Shenghao Marine Hong Kong Ltd provides a "care of address" for at least two Hong Kong-registered companies, Rich Step Shipping Limited (IMO 5647097) and New Champ Shipping Limited (IMO 5649955); Mr. Kasatsugu serves as the director of these two companies.

- Until early 2015, Shenghao Marine Hong Kong Ltd was listed as the ship manager and operator of the two vessels *Ocean Dawning* (IMO 8505329) and *Ocean Galaxy* (IMO 8418277); their registered owners were Rich Step Shipping Ltd and New Champ Shipping Ltd, respectively (both vessels were registered in the IMO database as "Broken up" in February 2015) (IMO database).

- Shenghao Marine's directors have also served as the directors or shareholders of Shenghao Shipping Limited. This company's director included Mr. Zhang Qiao.

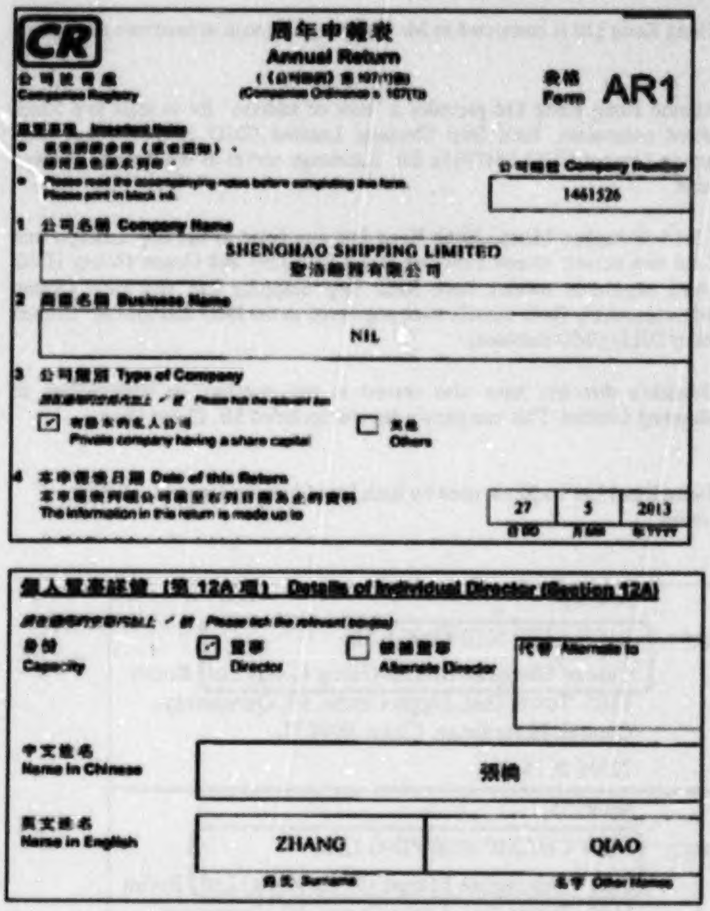
Shenghao Marine Hong Kong Ltd's address used by Rich Step Shipping Limited and New Champ Shipping Limited



IMO number :	5647097
Name of company :	RICH STEP SHIPPING LTD
Address :	Care of Shenghao Marine (Hong Kong) Ltd Room 1105, Tower One, Lippo Centre, 89, Queensway, Central, Hong Kong, China, 999077,
Last update :	22/06/2015
IMO number :	5649955
Name of company :	NEW CHAMP SHIPPING LTD
Address :	Care of Shenghao Marine (Hong Kong) Ltd Room 1105, Tower One, Lippo Centre, 89, Queensway, Central, Hong Kong, China, 999077,
Last update :	22/06/2015

Source: Equasis database.

Figure 9-2. The Hong Kong company registration record for Shenghao Shipping Limited



CR

公司註冊處
Companies Registry

周年申報表
Annual Return
(《公司條例》第107(1)條)
(Companies Ordinance s. 107(1))

表格 Form AR1

重要事項 Important Notes
- 填表前請參閱《填表須知》。請用黑色墨水列印。
- Please read the accompanying notes before completing this form. Please print in black ink.

公司編號 Company Number: 1461526

1 公司名稱 Company Name

SHENGHAO SHIPPING LIMITED
聖浩船務有限公司

2 商業名稱 Business Name

NIL

3 公司類別 Type of Company

請在適當的方格內加上「✓」號 Please tick the relevant box

☑ 有股本的私人公司 Private company having a share capital

☐ 其他 Others

4 本申報表日期 Date of this Return

本申報表所載的公司資料截至下列日期為止的資料
The information in this return is made up to

日 DD	月 MM	年 YYYY
27	5	2013

個人董事詳情（第12A項） Details of Individual Director (Section 12A)

請在適當的方格內加上「✓」號 Please tick the relevant box(es)

身份 Capacity: ☑ 董事 Director ☐ 候補董事 Alternate Director

代替 Alternate to:

中文姓名 Name in Chinese: 張喬

英文姓名 Name in English: 姓氏 Surname: ZHANG; 名字 Other Names: QIAO

Figure 10. Bene Star and Baili Shipping

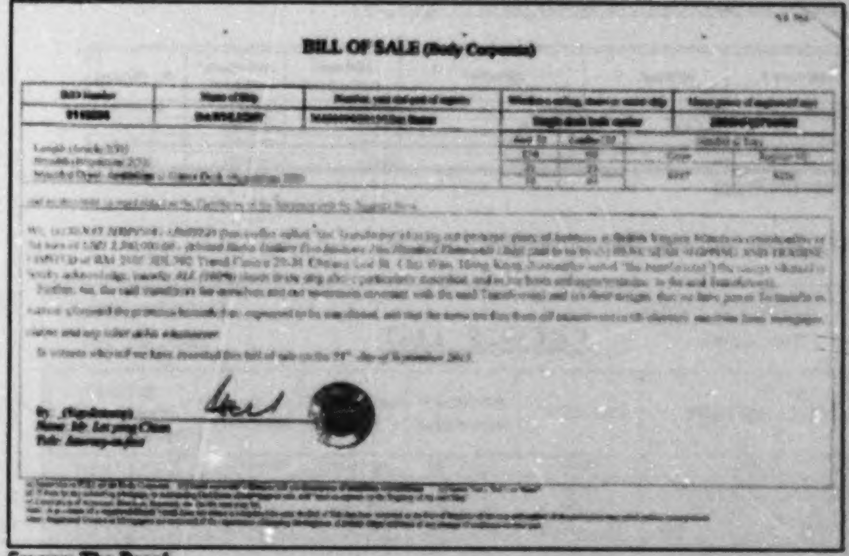
Bene Star Shipping & Trading Ltd

- In Chinese: 吉星船舶貿易有限公司
- IMO Company Number: 5764656
- Hong Kong company number 1599520
- Address: Room 2105, JDL 782, Trend Centre, 29-31, Cheung Lee Street, Chai Wan, Hong Kong, China (same address with Baili Shipping)
- Mr. Zhang Qiao 張橋
  - Shareholder (12 May 2013-)
  - Director (12 May 2013-)

- Bene Star Shipping & Trading Ltd is listed as the ship manager and registered owner of the *Orion Star* (IMO 9333589) since 6 November 2013. According to information provided by a Member State, this vessel was controlled by OMM as of September 2015.

- According to information provided by Senat Shipping Limited's solicitors, Senat Shipping signed a bareboat charter agreement dated 14 August 2014 with Bene Star Shipping and Trading Limited for the vessel *Dawnlight*.

Figure 10-2. Senat-Bene Star



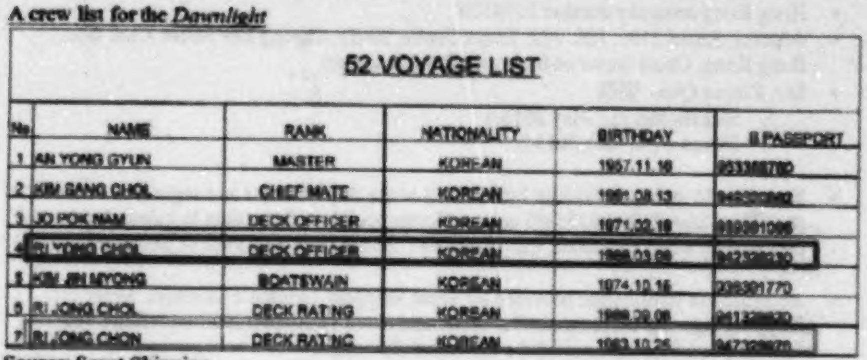
BILL OF SALE (Body Corporate)

Source: The Panel.

Figure 10-2. Dawnlight

DPRK crew members formerly affiliated with OMM-controlled vessels that are currently operating the *Dawnlight*

A crew list for the *Dawnlight*

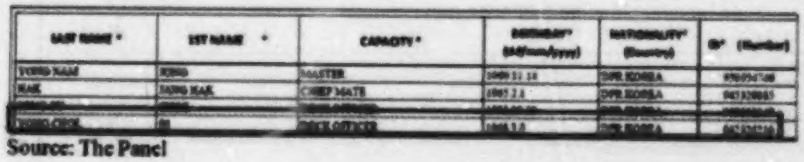


52 VOYAGE LIST

No	NAME	RANK	NATIONALITY	BIRTHDAY	# PASSPORT
1	AN YONG GYUN	MASTER	KOREAN	1957.11.10	953388780
2	KIM GANG CHOL	CHIEF MATE	KOREAN	1961.08.13	[illegible]
3	JO POK NAM	DECK OFFICER	KOREAN	1971.03.18	[illegible]
4	RI YONG CHOL	DECK OFFICER	KOREAN	1988.03.08	[illegible]
5	KIM JIN MYONG	BOATSWAIN	KOREAN	1974.10.16	938301770
6	RI JONG CHOL	DECK RATING	KOREAN	1988.09.06	[illegible]
7	RI JONG CHON	DECK RATING	KOREAN	1963.10.25	947329970

Source: Senat Shipping

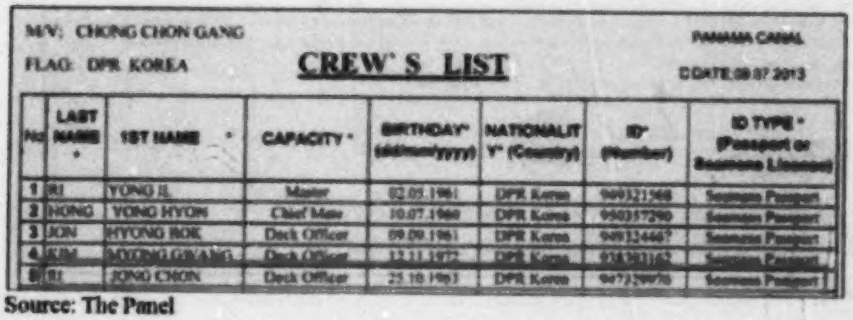
A crew list for the *O Un Chon Nyon Ho* as of 14 April 2011



LAST NAME *	1ST NAME *	CAPACITY *	BIRTHDAY* (dd/mm/yyyy)	NATIONALITY* (Country)	ID* (Number)
YONG NAM	[illegible]	MASTER	[illegible]	DPR KOREA	[illegible]
HAK	JANG HAK	CHIEF MATE	1967.2.1	DPR KOREA	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
YONG CHOL	RI	DECK OFFICER	[illegible]	DPR KOREA	[illegible]

Source: The Panel

A crew list for the *Chon Chong Gang* as of 9 July 2013



M/V: CHONG CHON GANG
FLAG: DPR KOREA

CREW' S LIST

PANAMA CANAL
DDATE:09.07.2013

No	LAST NAME *	1ST NAME *	CAPACITY *	BIRTHDAY* (dd/mm/yyyy)	NATIONALITY* (Country)	ID* (Number)	ID TYPE * (Passport or Seamans License)
1	RI	YONG IL	Master	02.05.1961	DPR Korea	969321568	Seaman Passport
2	HONG	YONG HYON	Chief Mate	10.07.1960	DPR Korea	950317290	Seaman Passport
3	JON	HYONG ROK	Deck Officer	09.09.1961	DPR Korea	949324467	Seaman Passport
4	KIM	MYONG GWANG	Deck Officer	12.11.1972	DPR Korea	938303162	Seaman Passport
5	RI	JONG CHON	Deck Officer	25.10.1963	DPR Korea	947329970	Seaman Passport

Source: The Panel

Annex 90 : The Panel's views of the OMM-associated vessels

According to recent information from specialized maritime databases, the vessels *Chol Ryong*, *Hui Chon*, *Kang Gye*, *Ryong Rim*, and *Tae Ryong Gang* visited or were sighted near the ports of Russia and China in 2015. Previously, the Panel concluded that these vessels were included in the 14 vessels that were owned and/or controlled by OMM or by entities acting on its behalf or at its direction in assisting the evasion of sanctions, and that therefore they should be subject to the measures imposed by paragraph 8 (d) of resolution 1718 (2006) and paragraphs 8 and 11 of resolution 2094 (2013).[27]

In that regard, the Panel's reasoning is provided below.

1. **The vessels *Chol Ryong*, *Hui Chon*, *Kang Gye*, *Ryong Rim*, and *Tae Ryong Gang***

- The vessels' connections to OMM as of 28 July 2014

  As of 28 July 2014, when OMM was designated by the 1718 Committee, specialized maritime databases provided the following information about each vessel:

  a) *Chol Ryong* (formerly known as *Ryong Gun Bong*) (IMO 8606173)
    - OMM was listed as the vessel's International Safety Management (ISM) Manager;
    - Taedonggang Sonbak Co Ltd (IMO 1845139) was listed as the group beneficial owner, the ship manager and operator for the vessel (this entity has been also listed as the ship manager and operator for the *Mu Du Bong* (IMO 8328197) which was determined by the 1718 Committee as "a vessel owned and controlled by OMM", showing that Taedonggang Sonbak Co Ltd has been acting on OMM's behalf or at its direction or has been controlled by OMM); and
    - The vessel's registered owner was Ryonggunbong Shipping Co., Ltd. which has used a "care of" address provide by Taedonggang Sonbak Co Ltd.

  b) *Hui Chon* (formerly known as *Hwang Gum San 2*) (IMO 5817790)
    - From October 2012 to September 2014, the *Hui Chon* (IMO 8405270) was registered in the IMO database with the name *Hwang Gum San 2*, whose ship manager and operator were registered as OMM. During this period, the vessel's registered owner was also listed in the IMO database as Hwanggumsan Shipping Co Ltd (IMO 5701481) with a c/o address provided by OMM.
    - Following the July 2014 designation of OMM in September 2014, the *Hwang Gum San 2* was renamed to the *Hui Chon* in the database of the Maritime Administration of DPR Korea. The renaming was officially registered in the IMO database in October 2014, and the vessel was re-registered with a new ship manager and operator as Pyongjin Ship Management Co (IMO 5817790) and a new registered owner as Huichon Shipping Co Ltd (IMO 5817812). According to the IMO database, Huichon Shipping Co Ltd was incorporated on 5 August 2014, just eight days after the Committee's designation of OMM, using a c/o address provided by Pyongjin Ship Management Co Ltd.

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[27] S/2015/131, pg. 47-49 and 56, and Recommendation 3 (b).

- OMM was also identified as the *Hwang Gum San 2*'s operator and/or owner (or ISM Manager) by the port state control inspection authorities under the Tokyo Memorandum of Understanding (Tokyo MOU).

c) *Kang Gye* (formerly known as *Pi Ryu Gang*) (IMO 8829593)
  - This vessel, formerly known as *Pi Ryu Gang*, was renamed to *Kang Gye* in September 2014. OMM was listed as the vessel's ship manager and operator in the IMO database and the Port State Control Inspection records between 2011 and 10 September 2014.
  - The registered owner of the *Pi Ryu Gang* was a DPRK entity, Biryugang Shipping Co Ltd (IMO 5434313), which is registered in the IMO database with an address that is "care of" OMM. The vessel's ship manager and operator as registered in the IMO database since 11 September 2014 is a DPRK entity, Yongjin Ship Management Co Ltd (IMO 5814883), and its registered owner since 11 September 2014 is a DPRK entity named Kanggye Shipping Co Ltd (IMO 5822804).

d) *Ryong Rim* (formerly known as *Jon Jin 2*) (IMO 8018912)
  - OMM was listed as the ship manager and operator for the vessel;
  - OMM was identified as the vessel's ISM Manager by the port state control inspection authorities under the Tokyo Memorandum of Understanding; and
  - The vessel's registered owner was Jonjin Shipping Co Ltd which has used a c/o address provided by OMM.

e) *Tae Ryong Gang* (formerly known as *Ap Rok Gang*) (IMO 8132835)
  - OMM was listed as the ship manager and operator for the vessel;
  - OMM has been identified as the vessel's ISM Manager by the port state control inspection authorities under the Tokyo Memorandum of Understanding; and
  - The vessel's registered owner was Amnokgang Shipping Co., Ltd. which has used an address provided by OMM.

According to International Safety Management Code's Resolution A.741(18) as amended by MSC.104(73), MSC.179(79), MSC.195(80) and MSC.273(85), the ISM Manager (or "Company") is defined as the following:

> "1.1.2 *Company* means the owner of the ship or any other organization or person such as the manager, or the bareboat charterer, who has assumed the responsibility for operation of the ship from the shipowner and who, on assuming such responsibility, has agreed to take over all duties and responsibility imposed by the Code."

In light of the abovementioned information, the Panel concluded that as of 28 July 2014, these vessels were owned and/or controlled by OMM.

- Renaming and re-registration of OMM-controlled vessels after 28 July 2014 to evade the sanctions

Following the 28 July 2014 designation of OMM, all these vessels were renamed and re-registered in the IMO database with new registered owners, ship managers and operators, as summarized below:

a) *Ryong Gun Bong*
- The vessel was renamed as *Chol Ryong* on 1 August 2014;
- Haejin Ship Management Co Ltd is listed as the vessel's new ISM Manager, ship manager and operator on 1 August 2014; and
- Cholryong Shipping Co Ltd is listed as the vessel's new registered owner on 1 August 2014, which has used a c/o address provided by Haejin Ship Management Co Ltd.

b) *Hui Chon* (formerly known as *Hwang Gum San 2*) (IMO 5817790)
- The vessel was renamed as Hui Chon in September 2014.
- A new ship manager and operator as Pyongjin Ship Management Co (IMO 5817790) and a new registered owner as Huichon Shipping Co Ltd (IMO 5817812).

c) *Kang Gye* (formerly known as *Pi Ryu Gang*) (IMO 8829593)
- This vessel, formerly known as *Pi Ryu Gang*, was renamed to *Kang Gye* in September 2014.
- The vessel's ship manager and operator as registered in the IMO database since 11 September 2014 is Yongjin Ship Management Co Ltd (IMO 5814883), and its registered owner since 11 September 2014 is Kanggye Shipping Co Ltd (IMO 5822804).

d) *Jon Jin 2*
- The vessel was renamed as *Ryong Rim* on 1 September 2014;
- Haejin Ship Management Co Ltd is listed as the vessel's new ISM Manager, ship manager and operator on 5 September 2014; and
- Ryongrim Shipping Co Ltd is listed as the vessel's new registered owner on 5 September 2014, which has used a c/o address provided by Haejin Ship Management Co Ltd.

e) *Ap Rok Gang*
- The vessel was renamed as *Tae Ryong Gang* on 1 October 2014;
- Yongjin Ship Management Co Ltd is listed as the vessel's new ISM Manager, ship manager and operator on 26 September 2014 ; and
- Taeryonggang Shipping Co Ltd is listed as the vessel's new registered owner on 26 September 2014, which has used a c/o address provided by Yongjin Ship Management Co Ltd.

The Security Council has officially included the "renaming or re-registration of…vessels" in the category of "transfer of DPRK…vessels to other companies that may have been undertaken in order to evade the sanctions" (paragraph 19 of resolution 2094 (2013)). Renaming and re-registration of vessels have been officially determined by the Security Council as one of the various means to evade sanctions.

As noted, these vessels were among the 14 vessels controlled by OMM that were renamed and re-registered in the IMO database with other DPRK ship managers, operators and registered owners, following the July 2014 designation of OMM (see, S/2015/131, paragraph 110).

As a result of these re-registrations of OMM-controlled vessels, OMM was dissolved in the IMO database, and these vessels and the DPRK entities that control and/or own the vessels have successfully evaded the UN sanctions. For example, the *Hui Chon, Ryong Rim* and the *Tae Ryong Gang* were inspected by the port state control inspection authorities in October 2014 and January 2015. But the vessels were never subjected under the assets freeze.

In light of this, in its 2015 Final Report, the Panel considers tha. the renaming and reregistration of OMM-controlled vessels after 28 July 2014 is an attempt to evade sanctions by OMM, and that these DPRK companies -- which have been newly registered for these vessels – have been acting on OMM's behalf or at its direction and assisting OMM in the evasion of sanctions.

- Member States obligations under relevant provisions in the resolutions

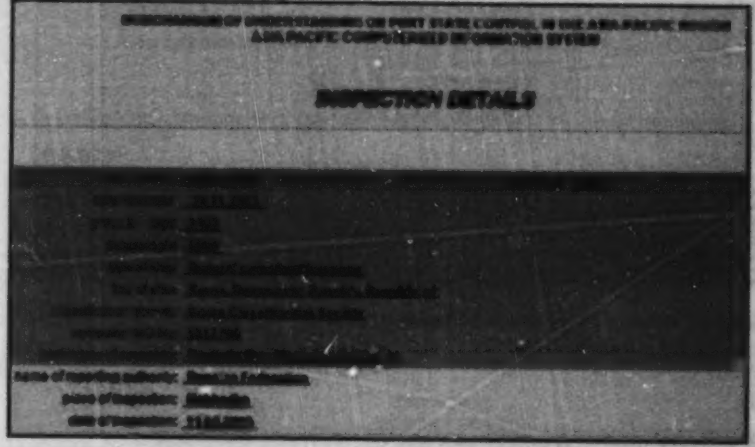
Pursuant to paragraph 8 (d) of resolution 1718 (2006) and paragraph 8 of resolution 2094 (2013), Member States are obliged to immediately freeze assets and economic resources on their territories that are owned or controlled, directly or indirectly, by designated entities or individuals or any individual or entity acting on their behalf or at their direction. Member States are also obliged by paragraph 11 of resolution 2094 (2013) to prevent the transfer from their territories of any assets or resources that could contribute to the evasion of sanctions, including by freezing such assets or resources.

The Panel notes that Member States' obligations for assets freeze are not limited to those owned or controlled directly by OMM, but also apply to those owned or controlled by entities acting on OMM's behalf or at its direction, as well as those that could contribute to the evasion of sanctions.

As noted, the these vessels are assets currently owned and controlled officially by the aforementioned DPRK entities (the newly registered owners, operator and managers for the vessels) which have been acting on OMM's behalf and assisting OMM in the evasion of sanctions.

Port state control inspection records from the Tokyo MOU database

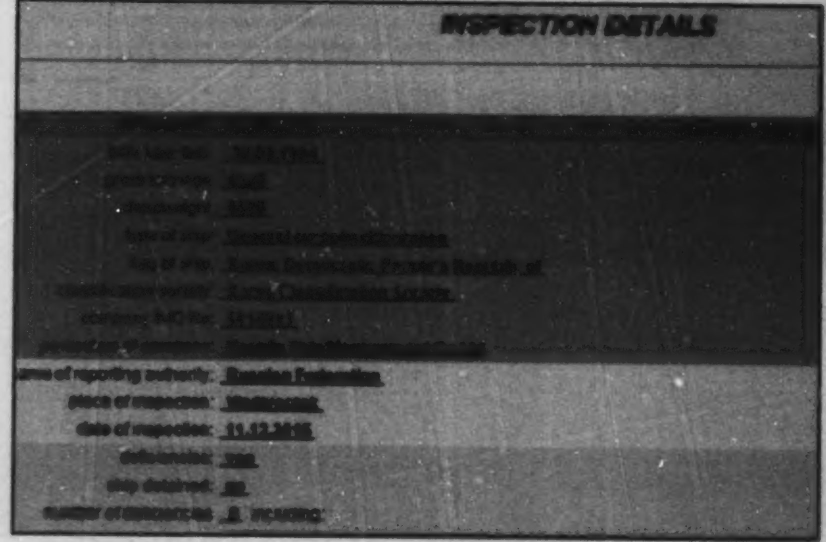
Hui Chon (18 November 2015)



MEMORANDUM OF UNDERSTANDING ON PORT STATE CONTROL IN THE ASIA-PACIFIC REGION
ASIA-PACIFIC COMPUTERIZED INFORMATION SYSTEM

INSPECTION DETAILS

Kang Gye (11 December 2015)



INSPECTION DETAILS

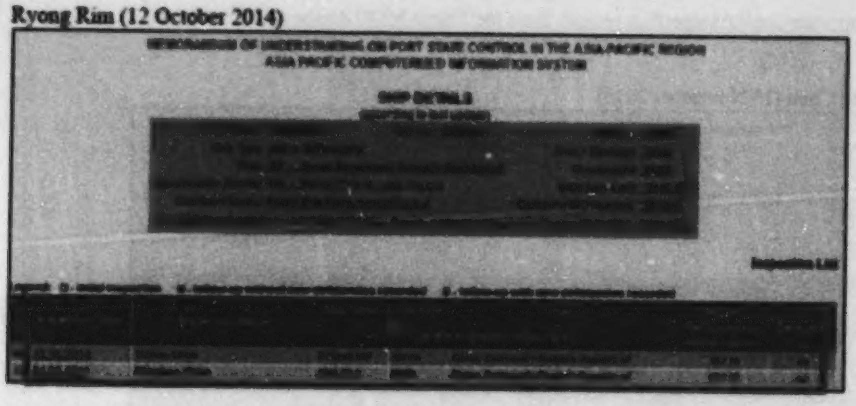
name of reporting authority: Russian Federation

date of inspection: 11.12.2015

deficiencies: yes

ship detained: no

Ryong Rim (12 October 2014)

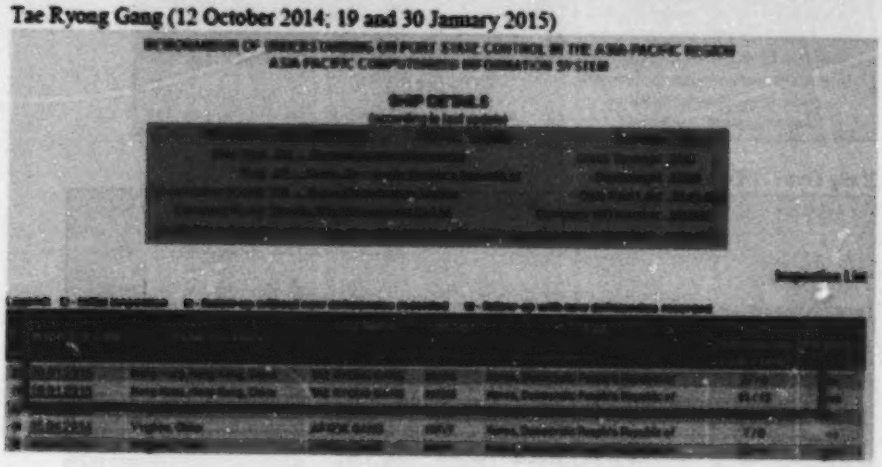


MEMORANDUM OF UNDERSTANDING ON PORT STATE CONTROL IN THE ASIA-PACIFIC REGION
ASIA PACIFIC COMPUTERISED INFORMATION SYSTEM

SHIP DETAILS

Inspection List

Tae Ryong Gang (12 October 2014; 19 and 30 January 2015)



MEMORANDUM OF UNDERSTANDING ON PORT STATE CONTROL IN THE ASIA-PACIFIC REGION
ASIA PACIFIC COMPUTERISED INFORMATION SYSTEM

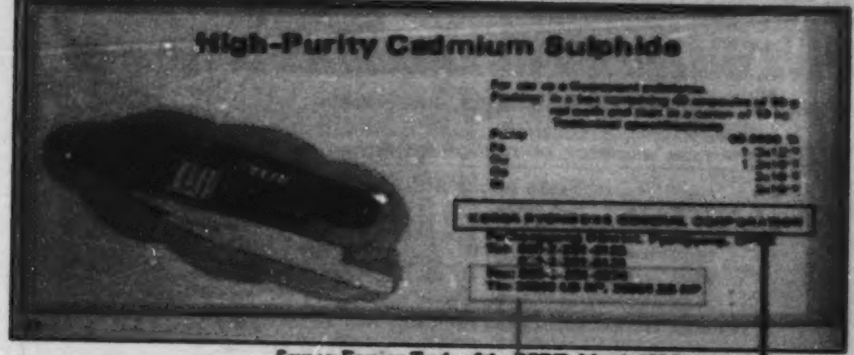
SHIP DETAILS

(according to last update)

Inspection List

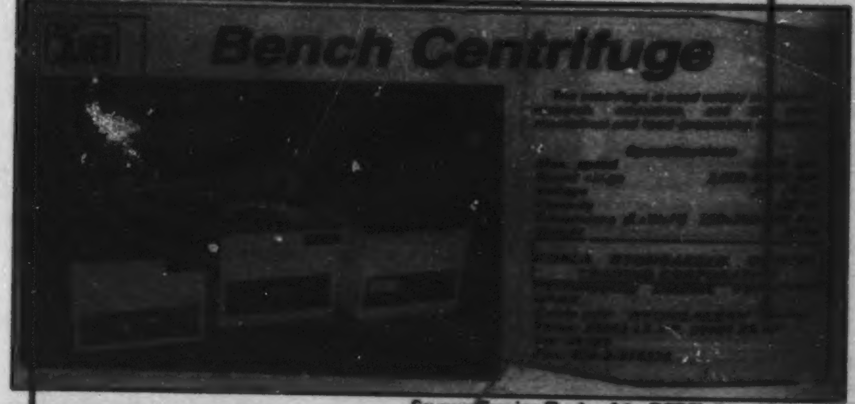
Annex 91 : Korea Ryongaksan General trading Corporation

Korea Ryonbong General Corporation

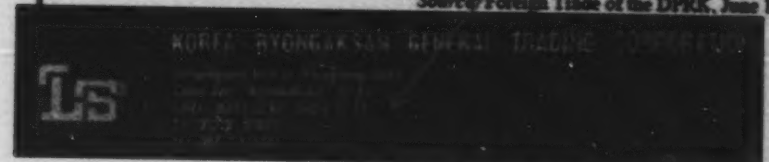

High-Purity Cadmium Sulphide
KOREA RYONBONG GENERAL CORPORATION

Source: Foreign Trade of the DPRK, March 1996.

Korea Ryongaksan General Trading Corporation

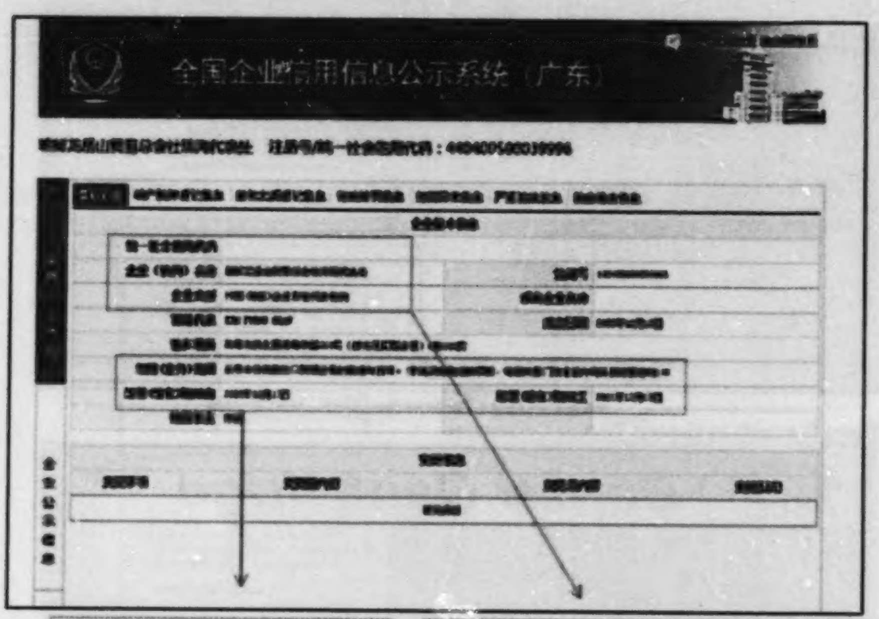

Bench Centrifuge

Source: Foreign Trade of the DPRK, June 1993.


KOREA RYONGAKSAN GENERAL TRADING
LS

Source: Foreign Trade of the DPRK, February 1993.

Annex 92 : Lyongaksan's branch in Zhuhai



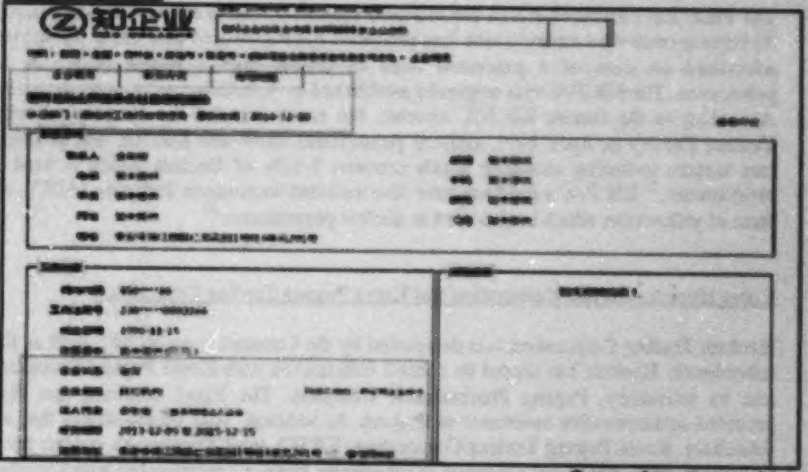
(Unofficial translation)
Operation period of business: From Dec. 13, 2005 to Dec. 2011
Business Operation Status: Still active

(Unofficial Translation)
Corporate name: 朝鲜龙岳山贸易总会社珠海代表处
Corporate type: Permanent Representative of Foreign company
Representative: Kim Pyong Chan

Source: Guangdong Company Credit Information database available at http://gsxt.gdgs.gov.cn/aiccips/CheckEntContext/showInfo.html.

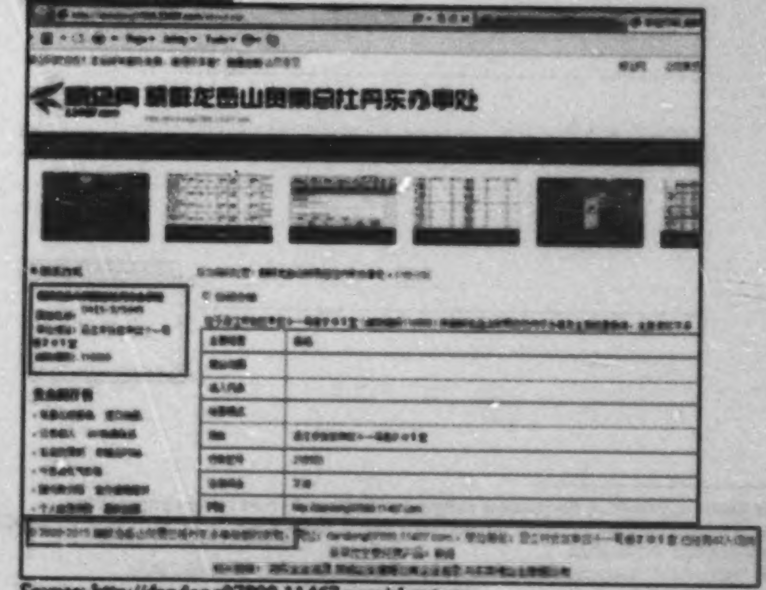
Annex 93 : Lyongaksan's other branches

Jian-based branch



Source: http://www.zhiqiye.com.

Dandong-based branch



Source: http://dandong07899.11467.com/about.asp.

Annex 94 : Korea International Chemical Joint Venture Company

Korea International Chemical Joint Venture Corporation (KICJVC).

The Panel has confirmed Korea International Chemical Joint Venture Company (KICJVC) as a Ryonbong-controlled entity which has produced nuclear-related rare earth phosphate and also advertised its sales of a processed form of yellow cake, ("yellow cake") in an official publication. The KICJVC was originally established by Ryonbong and a Japan-based company.[28] According to the former KICJCC director, the entity founded the Hamhung Chemical Joint Venture Factory in April 1991. Official publications show that KICJVC has produced various rare metals, including monazite which contains 5-12% of thorium which is used in nuclear programmes.[29] KICJVC's products have also included ammonium diuranate (ADU), a processed form of yellowcake which is also used in nuclear programmes.[30]

Korea Hyoksin Trading Corporation and Korea Pugang Trading Corporation

Hyoksin Trading Corporation was designated by the Committee on 16 July 2009 as Ryonbong's subordinate. Hyoksin has shared its contact information with Korea Pugang Corporation (KPC) and its subsidiary, Pugang Pharmaceutic Company. The Panel confirms that Hyoksin has provided administrative assistance to Pugang. In addition, state media shows that another KP subsidiary, Korea Pugang Trading Corporation (KPTC), used Ryonbong's contact numbers until as early as 2002. The Panel continues to investigate Pugang's relationship with Ryonbong.

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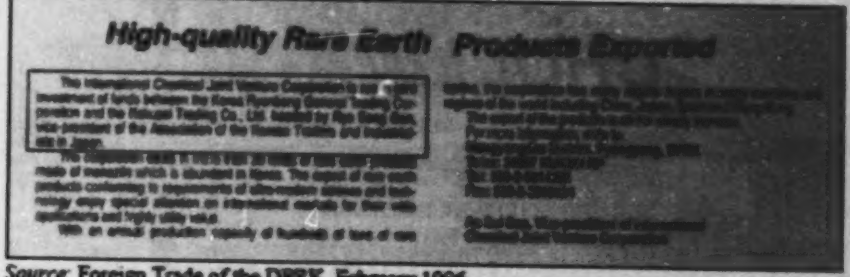
[28] The Panel confirmed that the Japanese company terminated the joint venture prior to 2006.

[29] World Nuclear Association. "Naturally-Occurring Radioactive Material" available from http://www,world-nuclear.org/info/inf30a.html.

[30] See: https://www.iaea.org/About/Policy/GC/GC41/Documents/2914annex2.html.

Figure 1. A DPRK publication referring to the International Chemical Joint Venture Corporation which was established by Ryonbong and a Japanese company.

"The International Chemical Joint Venture Corporation is run in joint investment of funds between the Korean Ryonbong General Trading Corporation and the Kokusai Trading Co., Ltd. headed by Ryo Song Gun, vice-president of the Association of the Korean Traders and Industrialists in Japan."



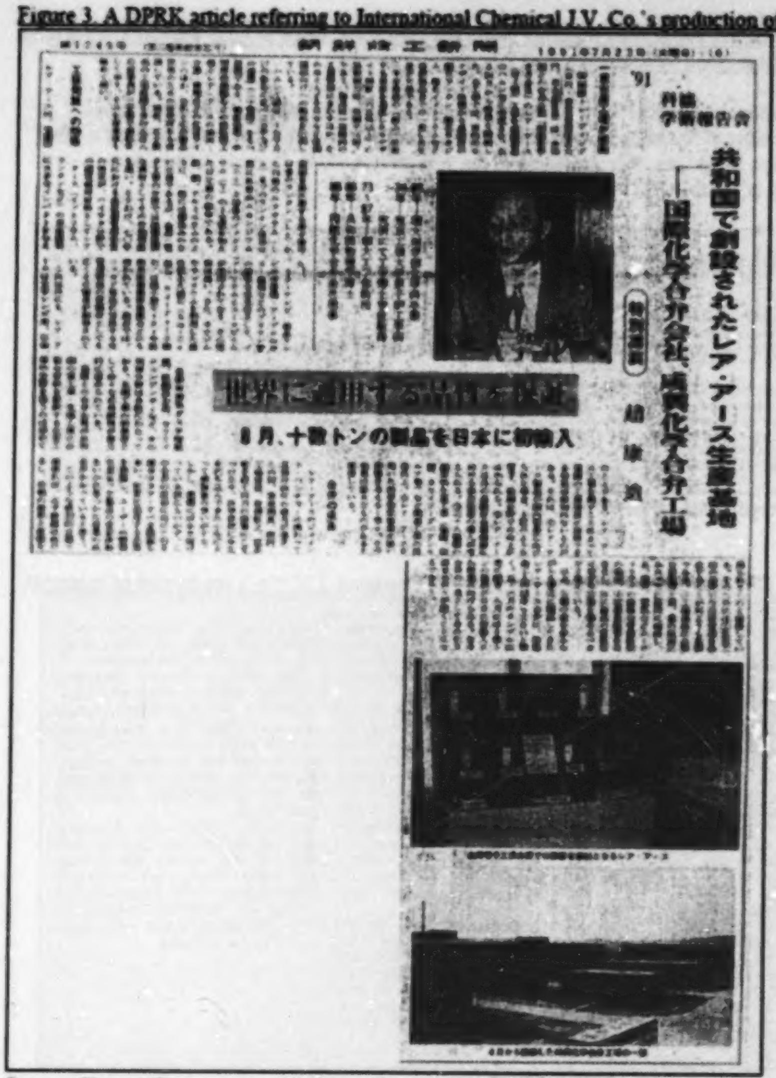
High-quality Rare Earth Products Exported

Source: Foreign Trade of the DPRK, February 1996.

Figure 2. A DPRK article referring to International Chemical J.V. Co.'s production of monazite

Source: Foreign Trade of the DPRK, March 1997.

Figure 3. A DPRK article referring to International Chemical J.V. Co.'s production of monazite



朝鮮商工新聞

'91

共和国で創設されたレア・アース生産基地

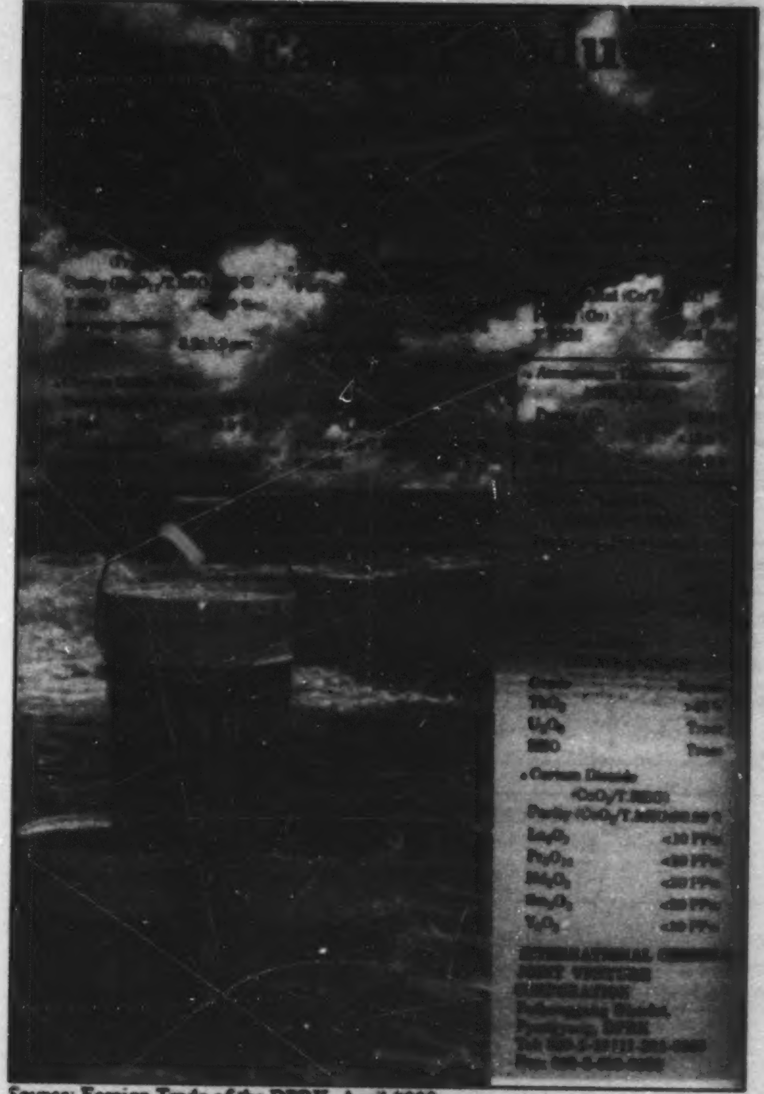
―国際化学合弁会社、咸興化学合弁工場

[illegible]

8月、十数トンの製品を日本に初輸入

Source: Chosun Commerce and Industry Newspaper (朝鮮商工新聞), 23 July 1991, made available by North Korea Today.

Figure 4. A DPRK article referring to International Chemical J.V. Co.'s production of ammonium diuranate

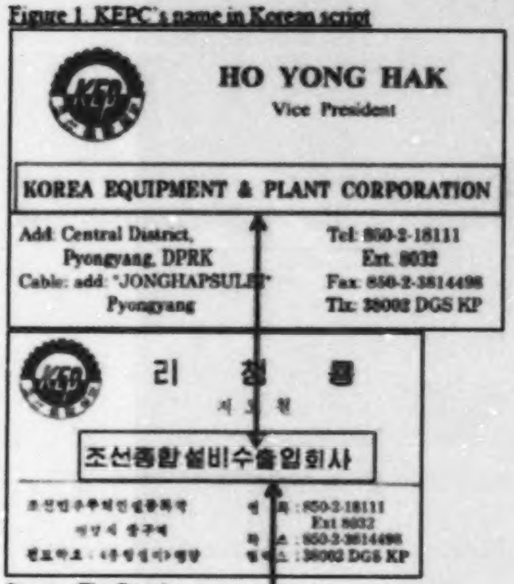


Source: Foreign Trade of the DPRK, April 2002.

Annex 95 : Korea Equipment & Plant Corporation

Business cards of the representatives of Korea Equipment & Plant Corporation (KEPC) rovide the company's name in Korean "종합설비수출입회사" which is the same name as Korea Complex Equipment Import Corporation.

Figure 1. KEPC's name in Korean script



HO YONG HAK
Vice President

KOREA EQUIPMENT & PLANT CORPORATION

Add: Central District,
Pyongyang, DPRK
Cable: add: "JONGHAPSULBI"
Pyongyang

Tel: 850-2-18111
Ext. 8032
Fax: 850-2-3814498
Tlx: 38002 DGS KP

리 [illegible] 룡

조선종합설비수출입회사

[illegible]

: 850-2-18111
Ext 8032
: 850-2-3814498
: 38002 DGS KP

Source: The Panel.

Korean script of the Korea Complex Equipment Import Corporation from the 1718 Committee's informal list

KPe.019	**KOREA COMPLEX EQUIPMENT IMPORT CORPORATION**
KOREAN:	조선종합설비수출입회사

Source: 1718 Committee's website available from https://www.un.org/sc/suborg/sites/www.un.org.sc.suborg/files/20141030_updated_list_entities_and_individuals_korean_new_format_rev_1.pdf

Annex 96 : Korea Pugang Trading Corporation

Figure 1. Pugang Corporation

朝鮮富強会社 http://www.pugangcorp.com/

Korea Pugang Corporation was incorporated on July 3, 1979 with a commitment to render a service to the nation for its economic prosperity.

The Corporation's registered capital is 3 billion Won (some US$ 20 million) and its annual average turnover foots up to 22.5 billion Won (some US$ 150 million).

Korea Pugang Corporation comprises some management sections and such component companies as Pugang Trading Corp., Pugang Motorbike Co., Ltd., Pugang Hwangchiryong Co., Ltd., Pugang Pharmaceutic Co., Ltd., Pugang Electronic Co., Ltd., Pugang Coins Corp., Pugang Crystals Co., Ltd., and Pugang Natural Food Co., Ltd.

The Corporation runs gold mines, mints, factory of alcohol, pharmaceutical plants, drinking water factories, and other large number of factories of various industries such as metallurgy, mining, machinery, chemicals, electric, electronic, glassware, and timber.

The Corporation has off-shore branch offices or agents in Beijing, Dandong, Ji'an, Shanghai, Moscow, Nakhodka, Havana, Berlin, Sofia, Fribourg(Switzerland), Karachi, Kuala Lumpur, Cairo, Damascus, and Addis Ababa.

Ever since its birth, Korea Pugang Corporation has been doing its best to command a streamlined business making steady investments in order to keep its facilities and factory equipment up to date, provide a wider selection of its export products, and optimize their qualities, thus making them all highly competitive.

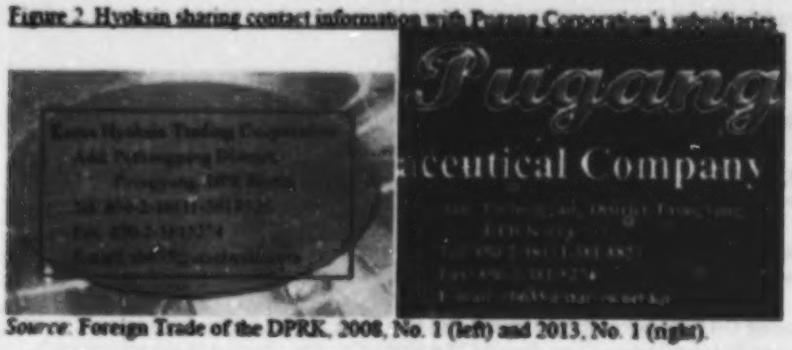
In the years to come, we will further contribute to the ever-prosperity of our nation by constantly updating our business operations and factory equipments, developing new high-tech products and by maximizing the variety, volume and frequency of our transactions with our customers and suppliers worldwide.

On this occasion, we express great thanks to all those who have done any business with us and who, by so doing, have provided us with easier access to the world markes and business expertise.

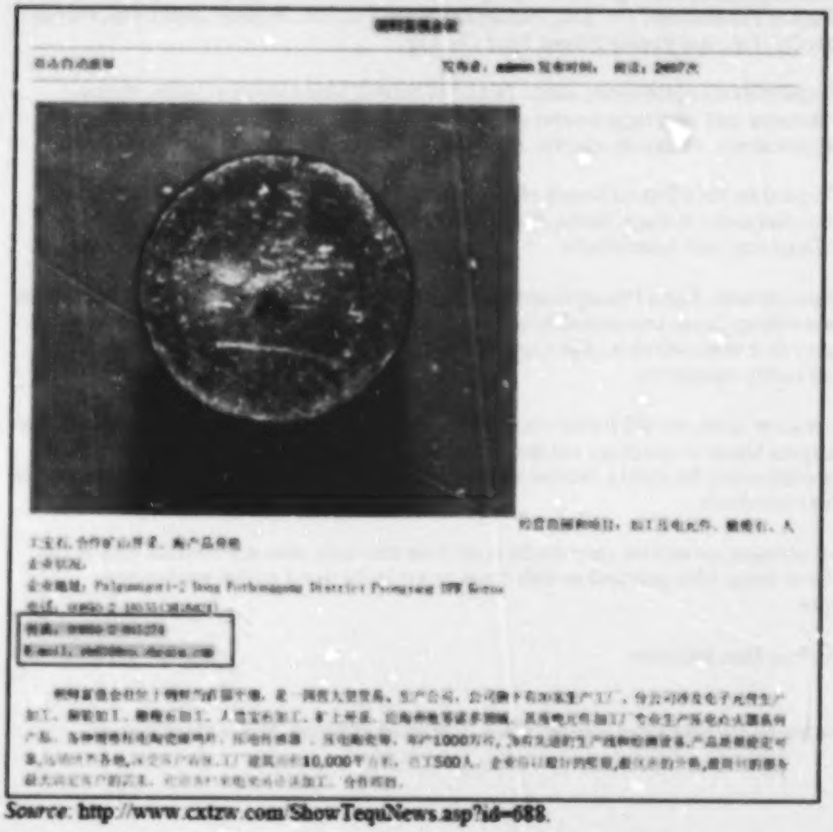
Dr Jon Sung Hun, President

Source: http://www.pugangcorp.com/ of 11 June 2008, accessed through WaybackMachine.com.

Figure 2. Hyoksin sharing contact information with Pugang Corporation's subsidiaries

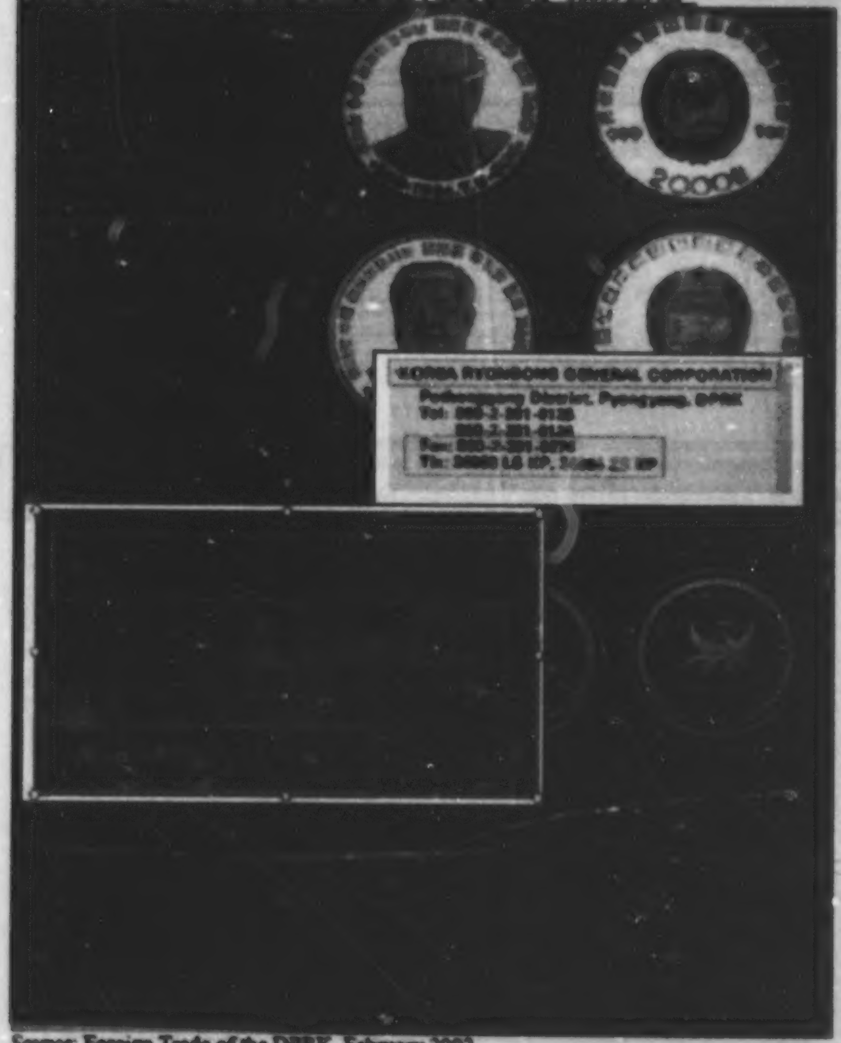

Korea Hyoksin Trading Corporation
Pugang
aceutical Company

Source: Foreign Trade of the DPRK, 2008, No. 1 (left) and 2013, No. 1 (right).



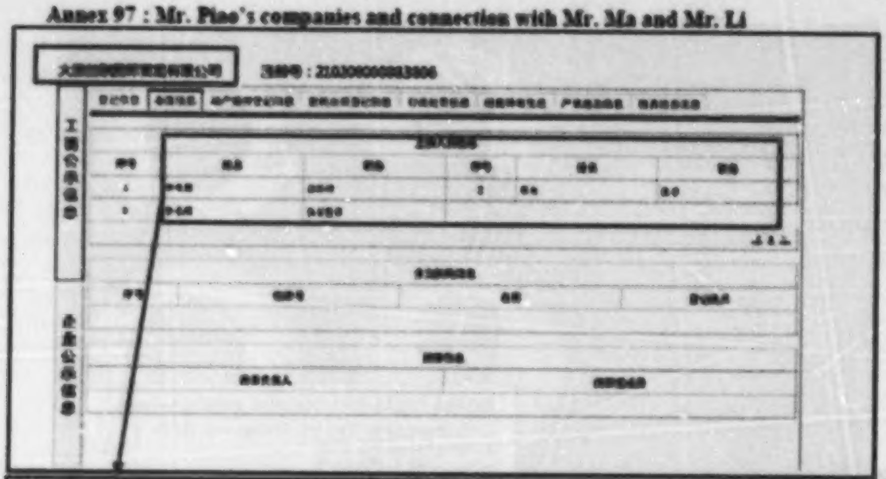
Source: http://www.cxtzw.com/ShowTequNews.asp?id=688.

Figure 3. Pyeong Trading using Lyongaksan's telex number "36053 LS KP"

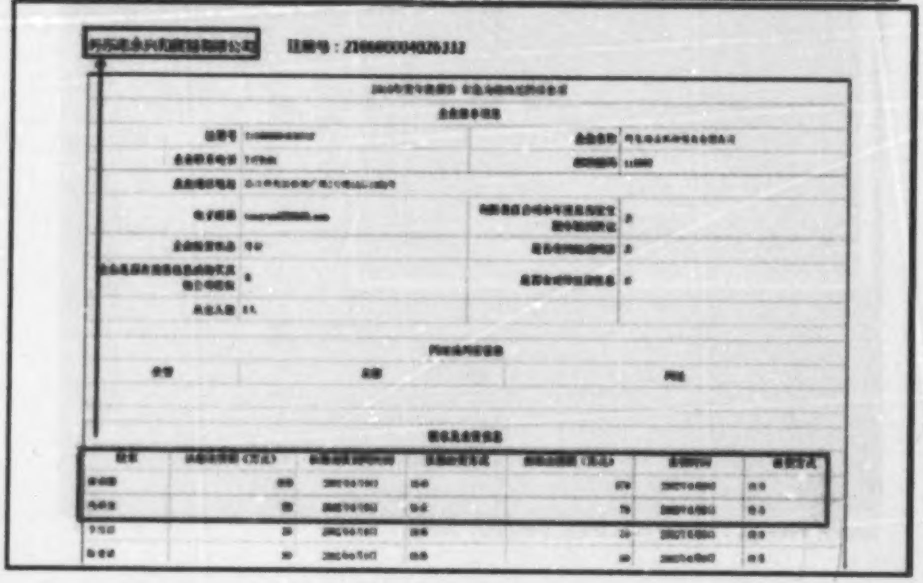

KOREA RYONBONG GENERAL CORPORATION
Pothonggang District, Pyongyang, DPRK
2000

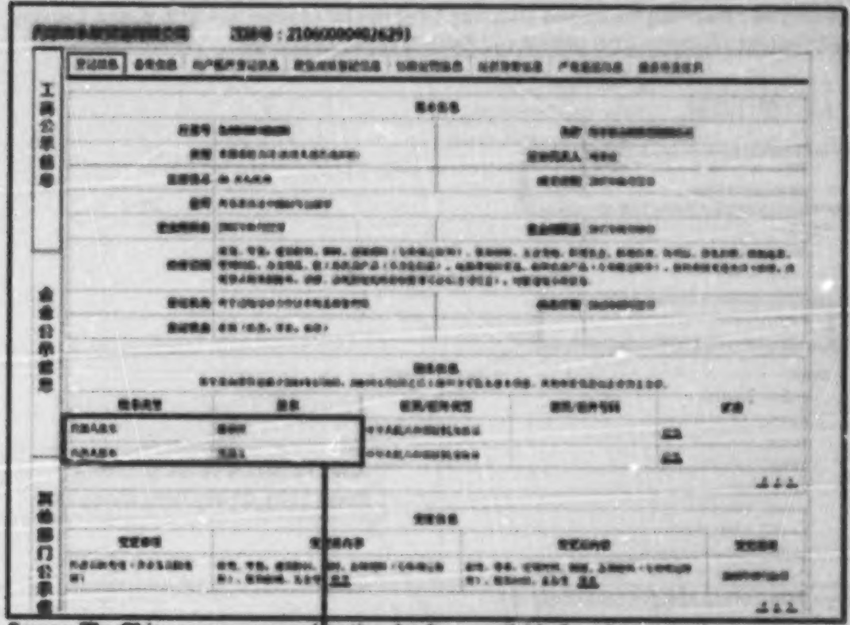
Source: Foreign Trade of the DPRK, February 2002.

Annex 97 : Mr. Piao's companies and connection with Mr. Ma and Mr. Li



Mr. Piao Chengyuan (or Park Seung Won) is listed as the director of Dalian Union with Mr. Cai Guang, and as shareholder of Dandong Yongxinghe, together with Mr. Ma and Mr. Li.



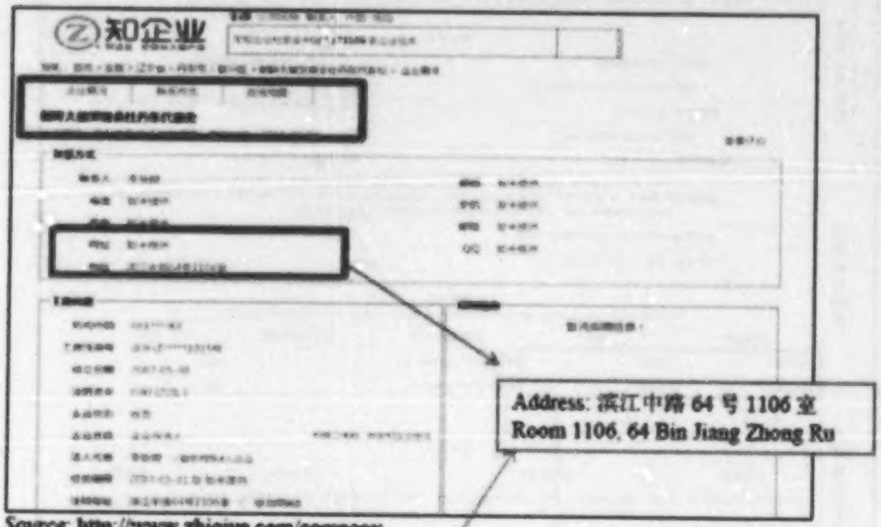


Source: The Chinese company registration database available from http://gsxt.lngs.gov.cn/.

Mr. Piao Chengyuan is listed as shareholder of Dandong Union with Mr. Ma Gewen.

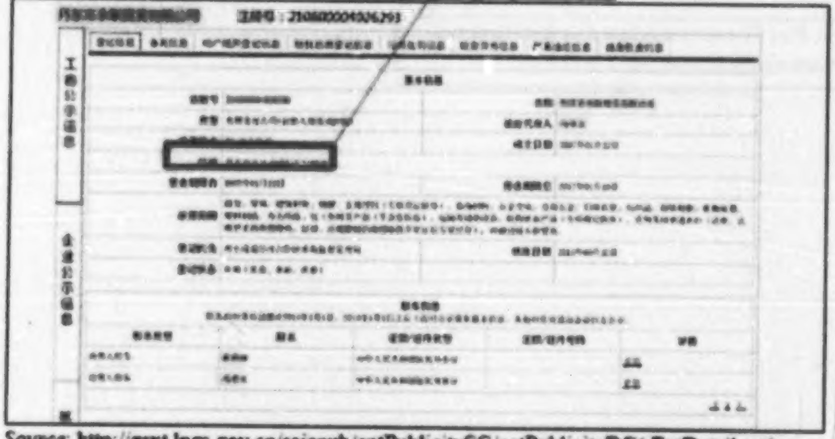
Annex 98 : Dandong Union and Dandong Yongxinghe's connection with Korea Taesong

Korea Daesong (Taesong) from commercial business registry database


知企业
Address: 滨江中路 64 号 1106 室
Room 1106, 64 Bin Jiang Zhong Ru

Source: http://www.zhiqiye.com/company.

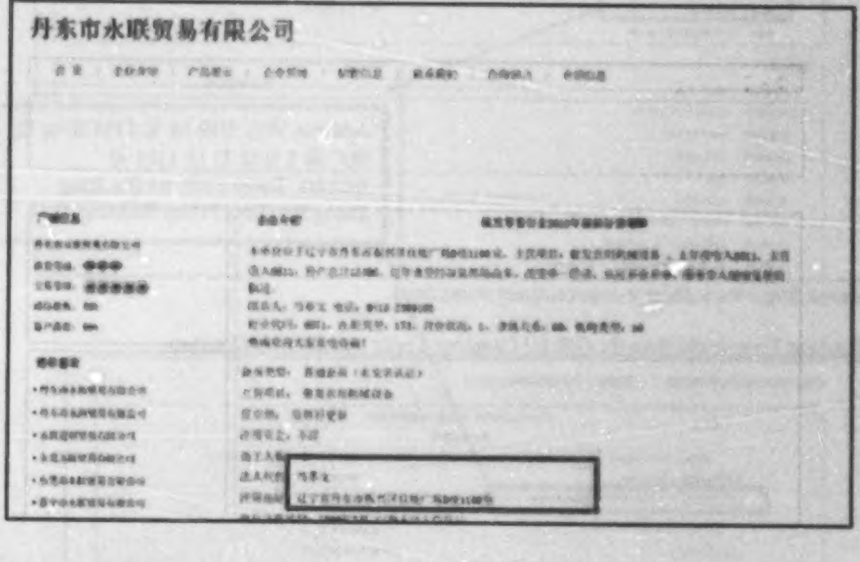
Dandong Union from Official Chinese Company Registry Database



Source: http://gsxt.lngs.gov.cn/saicpub/entPublicitySC/entPublicityDC/sEntDetail.action.

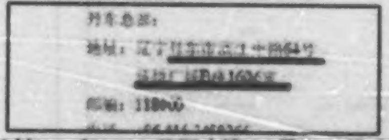
Figure 2: Dandong Union address Information from Commercial Website, showing relationship between address 滨江中路 64 号 and 佳地广场 B 座

The Panel found that Dandong Union's address is registered as both "Room 1106, 64 Bin Jiang Zhong Ru (滨江中路 64 号) Dandong City" and "Room 1106, Jiadi Plaza B (佳地广场 B 座) Dandong City" at official Chinese Company registry database and various commercial company registry. The Panel also found that other companies of Dandong City use these two addresses without distinction or at the same time in advertising them. The Panel confirmed through geographic search on line that "Bin Jiang Zhong Ru (滨江中路 64 号)" and "Jiadi Plaza B (佳地广场 B 座)" is the same place.



丹东市永联贸易有限公司

Figure 3: Address Information from Commercial Website, showing relationship between address 滨江中路 64 号 and 佳地广场 B 座

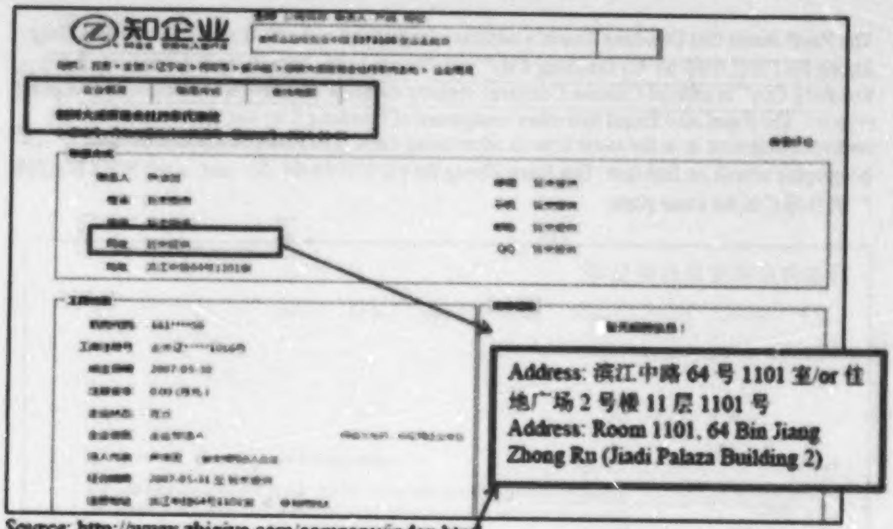


Address showing 滨江中路 64 号 is 佳地广场 B 座

Source: Official website of private company from http://www.lndt.com/cn/gywm/gsjj/.

Figure 4: Dandong Yongxinghe and Korea Daesong (or Taesong) Trading Company

Korea Daesong from Commercial Business Registry Database

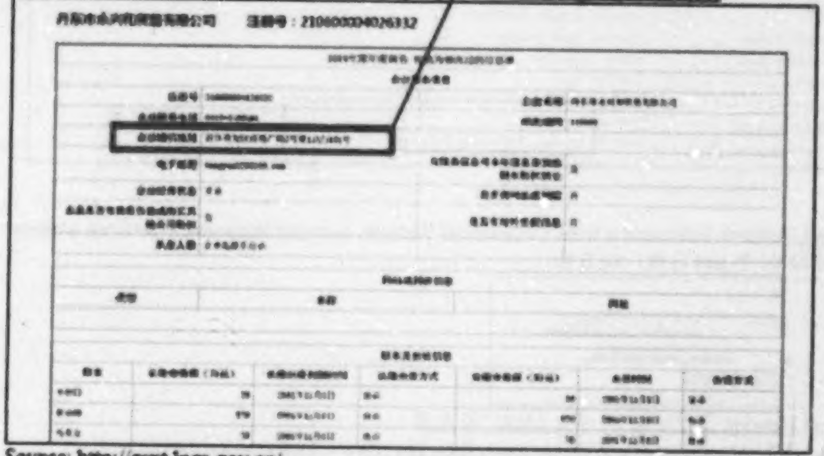


Address: 滨江中路 64 号 1101 室/or 佳地广场 2 号楼 11 层 1101 号

Address: Room 1101, 64 Bin Jiang Zhong Ru (Jiadi Palaza Building 2)

Source: http://www.zhiqiye.com/company/index.html.

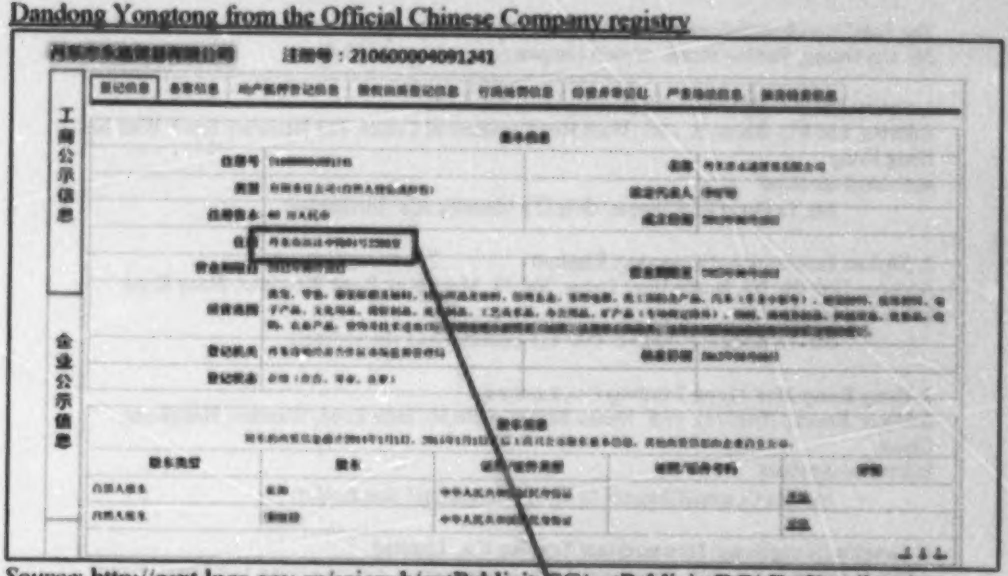
Dandong Yongxinghe from the Official Company Credit and Registry Database



Source: http://gsxt.lngs.gov.cn/.

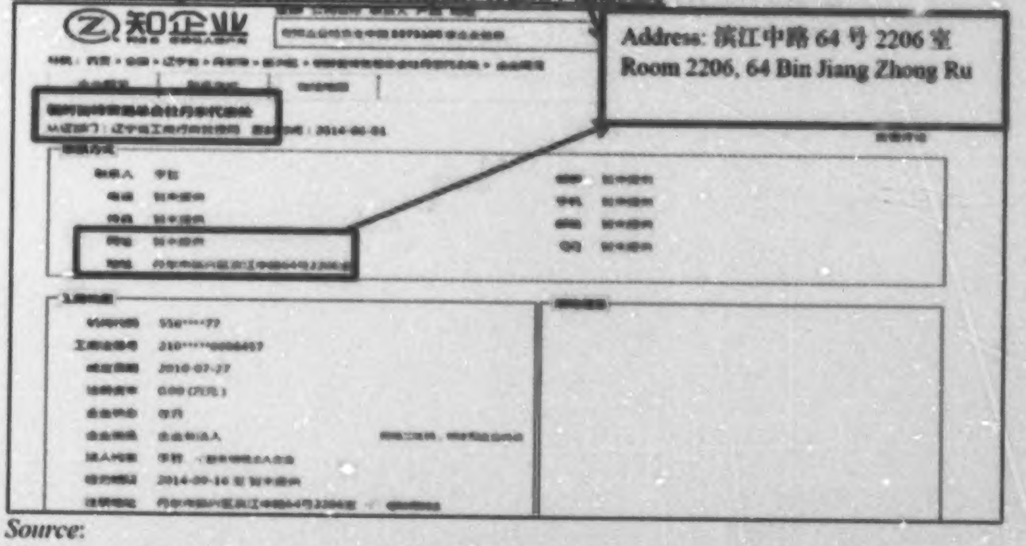
Figure 5: Korea Cholbong and Dandong Yongtong

Dandong Yongtong from the Official Chinese Company registry


注册号：210600004091241
工商公示信息
企业公示信息

Source: http://gsxt.lngs.gov.cn/saicpub/entPublicitySC/entPublicityDC/sEntDetail.action.

Korea Cholbong from commercial company registry database


知企业
2010-07-27
0.00 (万元)
2014-09-16

Address: 滨江中路 64 号 2206 室
Room 2206, 64 Bin Jiang Zhong Ru

Source:
http://www.zhiqiye.com/company/6A8DC9EEE31A4E27B4F2416610F49AF2/index.html.

Annex 99 : Hong Kong-registered Companies controlled by individuals connected to Leader and/or Mr. Cai Guang

The Panel has identified multiple Hong Kong-registered companies connected to Leader and/or Mr. Cai Guang. Further details of each company are summarized below.

1. Sunny (HONG KONG) Int'l Development Co. Ltd.
Address: LM 873, Room B, 14/F, WaH Hen Commercial Centre, 383 Hennessy Road, Wanchai, Hong Kong
Individual involved:

- Mr. Li Hong Ri (Chinese: 李紅日) (director and shareholder)

2. Xiuhua International Company Limited
Address: Unit 04, 7/F, Bright Way Tower, No. 33, Mong Kok Road, Kowloon, Hong Kong
Individual involved:

- Mr. Li Hong ri (Chinese: 李紅日) (director and shareholder)

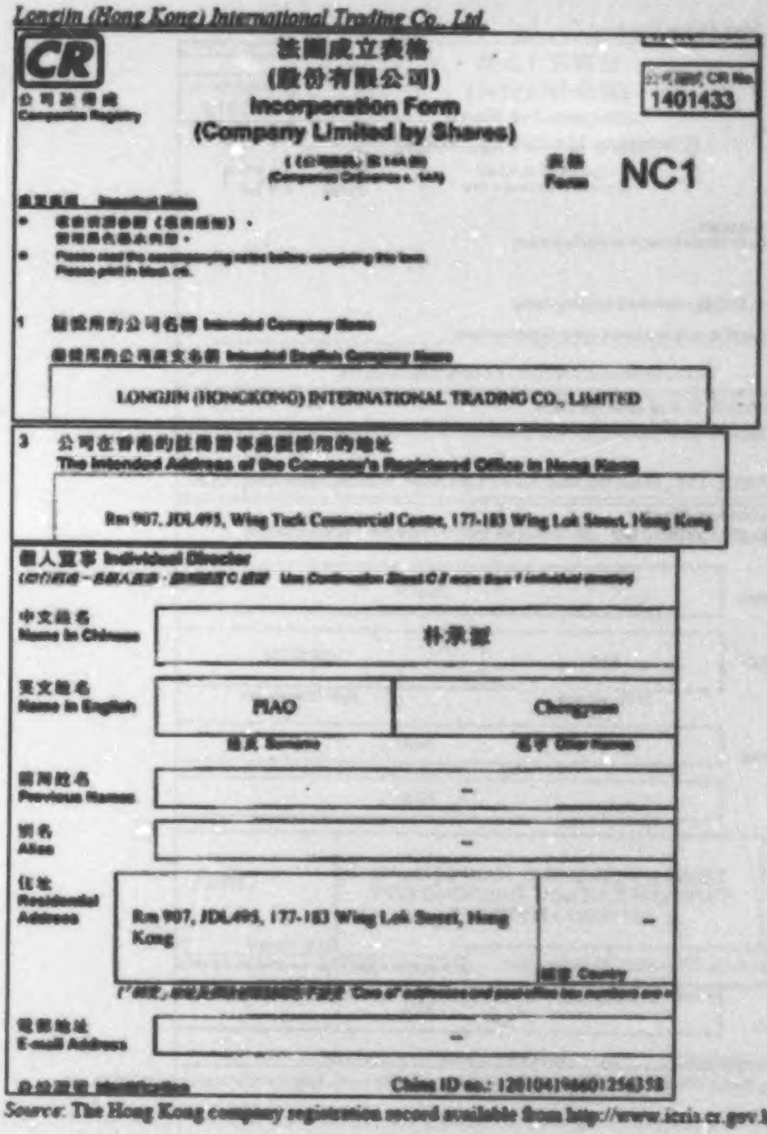
3. Hong Kong Max Moon Trading Co., Limited.
Address: Room 1701(071), 17/F, Henan Building, No.90, Jaffe Road, Wanchai, Hongkong, China
Individual involved:

- Mr. Ma Gewen (Chinese: 马革文) (director and shareholder)

4. Longjin (HongKong) International Trading Co., Limited
Address: Rm 907, JDL 495, Wing Tuck Commercial Center, 177-183 Wing Lok Street, Hong Kong
Individual involved:

- Mr. Piao Chengyuan (or Park Seung Won) (Chinese: 朴承源) (director and shareholder)

Longjin (Hong Kong) International Trading Co., Ltd.



CR

Companies Registry

法團成立表格
(股份有限公司)
Incorporation Form
(Company Limited by Shares)

(Companies Ordinance s. 14A)

CR No. 1401433

Form NC1

Important Notes

- Please read the accompanying notes before completing this form.
- Please print in black ink.

1 Intended Company Name

Intended English Company Name

LONGJIN (HONGKONG) INTERNATIONAL TRADING CO., LIMITED

3 The Intended Address of the Company's Registered Office in Hong Kong

Rm 907, JDL495, Wing Tuck Commercial Centre, 177-183 Wing Lok Street, Hong Kong

個人董事 Individual Director

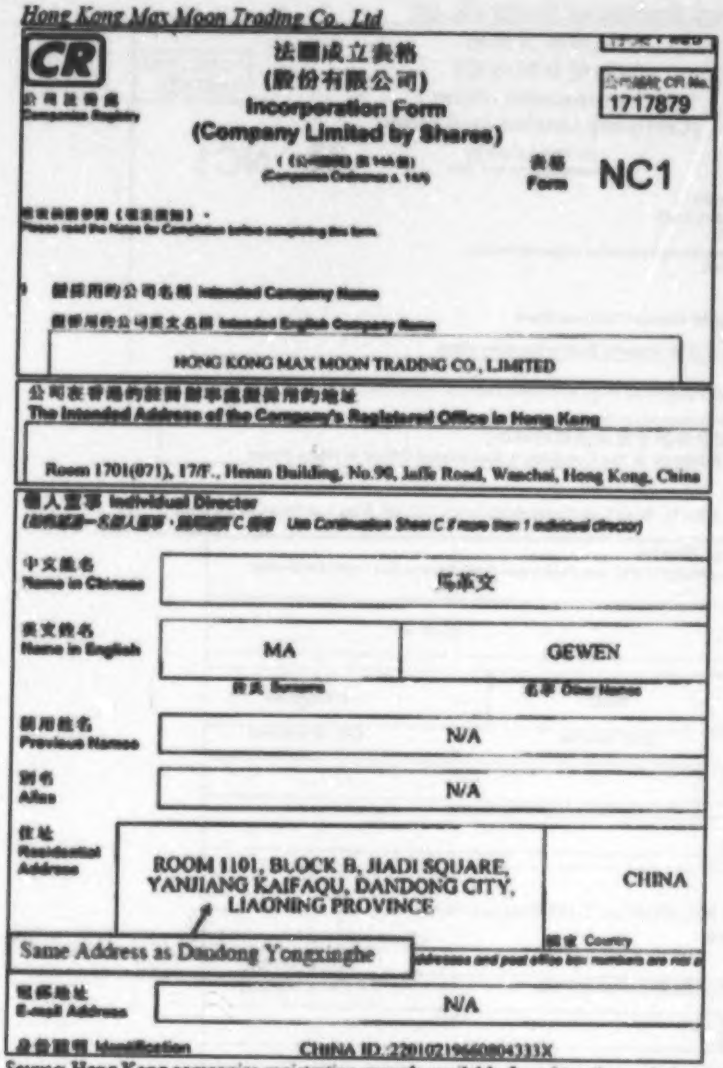
(Use Continuation Sheet C if more than 1 individual director)

中文姓名 Name in Chinese	朴承源	
英文姓名 Name in English	PIAO	Chengyuan
	Surname	Other Names
Previous Names	–	
別名 Alias	–	
住址 Residential Address	Rm 907, JDL495, 177-183 Wing Lok Street, Hong Kong	– Country
E-mail Address	–	

Identification China ID no.: 120104198601256358

Source: The Hong Kong company registration record available from http://www.icris.cr.gov.hk/csci/.

Hong Kong Max Moon Trading Co. Ltd



CR
公司註冊處
Companies Registry

法團成立表格
(股份有限公司)
Incorporation Form
(Company Limited by Shares)
(Companies Ordinance s. 14A)

公司編號 CR No.
1717879

表格 Form **NC1**

Please read the Notes for Completion before completing this form.

擬採用的公司名稱 Intended Company Name

擬採用的公司英文名稱 Intended English Company Name

HONG KONG MAX MOON TRADING CO., LIMITED

The Intended Address of the Company's Registered Office in Hong Kong

Room 1701(071), 17/F., Henan Building, No.90, Jaffe Road, Wanchai, Hong Kong, China

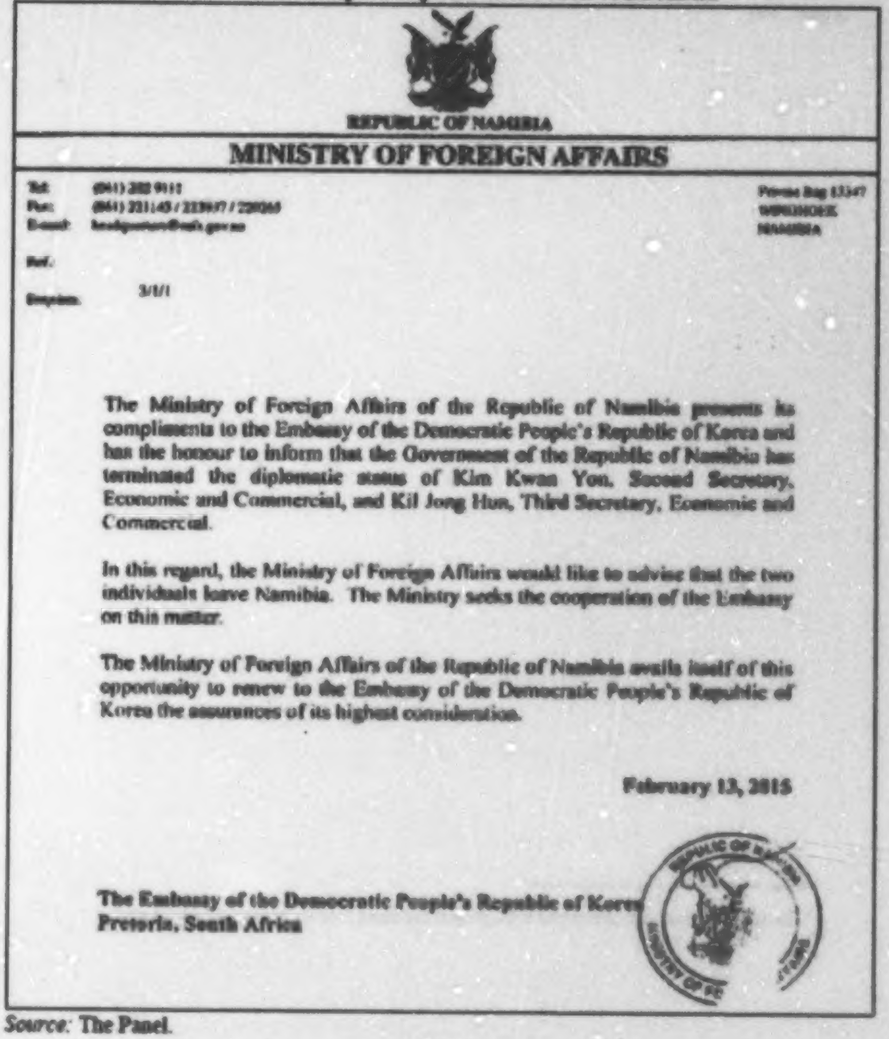
個人董事 Individual Director
(Use Continuation Sheet C if more than 1 individual director)

中文姓名 Name in Chinese	馬革文	
英文姓名 Name in English	MA	GEWEN
	姓氏 Surname	名字 Other Names
前用姓名 Previous Names	N/A	
別名 Alias	N/A	
住址 Residential Address	ROOM 1101, BLOCK B, JIADI SQUARE, YANJIANG KAIFAQU, DANDONG CITY, LIAONING PROVINCE	CHINA
		國家 Country
電郵地址 E-mail Address	N/A	
身份證明 Identification	CHINA ID: 22010219660804333X	

Same Address as Dandong Yongxinghe

Source: Hong Kong companies registration records available from http://www.icris.cr.gov.hk/csci/.

Annex 100 : Namibia's Note Verbale dated on 13 February 2015 addressed to the Embassy of the Democratic People's Republic of Korea in South Africa



REPUBLIC OF NAMIBIA

MINISTRY OF FOREIGN AFFAIRS

Tel: (061) 282 9111
Fax: (061) 221145 / 223937 / 229265
E-mail: headquarters@mfa.gov.na

Private Bag 13347
WINDHOEK
NAMIBIA

Ref.:

Enquiries: 3/1/1

The Ministry of Foreign Affairs of the Republic of Namibia presents its compliments to the Embassy of the Democratic People's Republic of Korea and has the honour to inform that the Government of the Republic of Namibia has terminated the diplomatic status of Kim Kwan Yon, Second Secretary, Economic and Commercial, and Kil Jong Hun, Third Secretary, Economic and Commercial.

In this regard, the Ministry of Foreign Affairs would like to advise that the two individuals leave Namibia. The Ministry seeks the cooperation of the Embassy on this matter.

The Ministry of Foreign Affairs of the Republic of Namibia avails itself of this opportunity to renew to the Embassy of the Democratic People's Republic of Korea the assurances of its highest consideration.

February 13, 2015

The Embassy of the Democratic People's Republic of Korea
Pretoria, South Africa

Source: The Panel.

STRICTLY CONFIDENTIAL*

Annex 101

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*The annex has not been reproduced in the present document because it is strictly confidential.

Annex 102 : Global Airlines Project methodology and United Nations data protection law exemptions

The Panel identified 170 global, regional and national airlines on the basis of global passenger market share as well as those smaller airlines operating on routes and third countries where Democratic People's Republic of Korea entities or nationals are known or suspected to have been based while engaged in the direct violation or evasion of sanctions in the past. Requests for information were also sent to airlines operating from the limited number of transit hubs that serve air routes to and from the Democratic People's Republic of Korea.

While a number of airlines or their respective Member states cited data protection laws as legal impediments to the provision of information, the Panel notes that pursuant to the sanctions regime adopted by the Security Council in respect of the Democratic People's Republic of Korea (DPRK) under resolution 1718 (2006), as extended by resolution 1874 (2009), the Security Council has imposed obligations upon Member States in respect of compliance with that regime. Specifically, in paragraphs 26 and 27 of resolution 1874 (2009), the Security Council established the Panel and urged all States to cooperate with it, "in particular by supplying any information at their disposal on the implementation of the measures imposed". In accordance with Article 25 of the Charter of the United Nations, Member States are obliged to accept and carry out decisions of the Security Council.

Pursuant to its Charter and the 1946 Convention on the Privileges and Immunities of the United Nations, the United Nations is not subject to the national jurisdictions of Member States, and as such, is not bound by national or regional legislative instruments, including the provisions regarding the transfer of personal data.

The Panel is continuing GAP-related investigations by extending and expanding its follow-up with the airline industry.

Annex 103 : Travel movements of reported KOMID representatives

Reported possible KOMID representatives in Iran Son Yong and Kim Young Chol travelled to, from or transited Iran, United Arab Emirates, Pakistan, China, Singapore and Malaysia. Reported KOMID representatives in Syria, Kang Ryong and Ryu Jin travelled to, from or transited Lebanon, China, Uganda and Egypt. Reported KOMID Namibia representative Kil Jong Hun travelled to, from or transited Namibia, South Africa, China and Zimbabwe. Reported KOMID Namibia representative, Kim Kwang Yon, travelled to, from or transited South Africa and China with documentation indicating that this travel was in five of six instances part of an itinerary for Namibia. The Panel obtained evidence that another reported KOMID representative allegedly based in Russia, Mr. Jang Song Chol flew to Khartoum, Sudan on two occasions in 2014.

According to information obtained by the Panel, Mr. Jang and Mr. Kim transited Islamabad and Karachi on at least 28 occasions between 10 December 2012 and 25 October 2015. They often travelled on the same flights with consecutively numbered tickets issued by the same travel agency. Together they had entered Pakistan at one airport and departed Pakistan from another airport. Pakistan stated to the Panel that the reported KOMID representatives were issued visas "by our Mission in Tehran at the request of the Embassy of the Democratic People's Republic of Korea (DPRK) in Tehran. The individuals were introduced as Second and Third Economic and Commercial Secretaries of the Embassy." In the visa application forms Pakistan noted that the addresses "included the Embassy of DPRK in Islamabad and Economic Section of DPRK in Karachi". Pakistan also noted that "in the visa forms no mention has been made of their linkages to Korea Mining Development Trading Corporation (KOMID).[31]

Seven of the individuals had transited, entered or exited China on a total of at least 59 occasions between 19 October 2012 and 19 October 2015.[32] Some of the individuals used different passports for certain flights in a non-linear fashion, indicating that they were in possession of two or more passports.

Mr. Ryong Kang flew into Entebbe, Uganda on 14 June 2014 and departed three days later. Uganda informed the Panel that it was undertaking an investigation and would revert when it was completed.[33]

Mr. Jang, Mr. Kim and Mr. Kwang Yong Kim transited Singapore on at least 12 occasions between 18 July 2013 and 28 November 2014. Mr. Kim flew to Kuala Lumpur on at least 3 occasions between 20 May 2013 and 23 November 2013 Mr. Jong Hun Kil travelled to Harare on 25 October 2014 and departed four days later Mr. Song Chol Jang flew from Moscow on 21 September 2014 to another country. Mr. Song Chol Jang returned to Khartoum, Sudan on 21 September 2014 and departed 28 September 2014. Ms Kim Su Guang with alleged connections to RGB arrived in Moscow on 16 June 2015. Mr. Song Chol Jang travelled to Khartoum on 10 June 2014 and departed on 24 June 2014. Mr. Ryong Kang travelled to Cairo on 3 July 2014, departing three days later.

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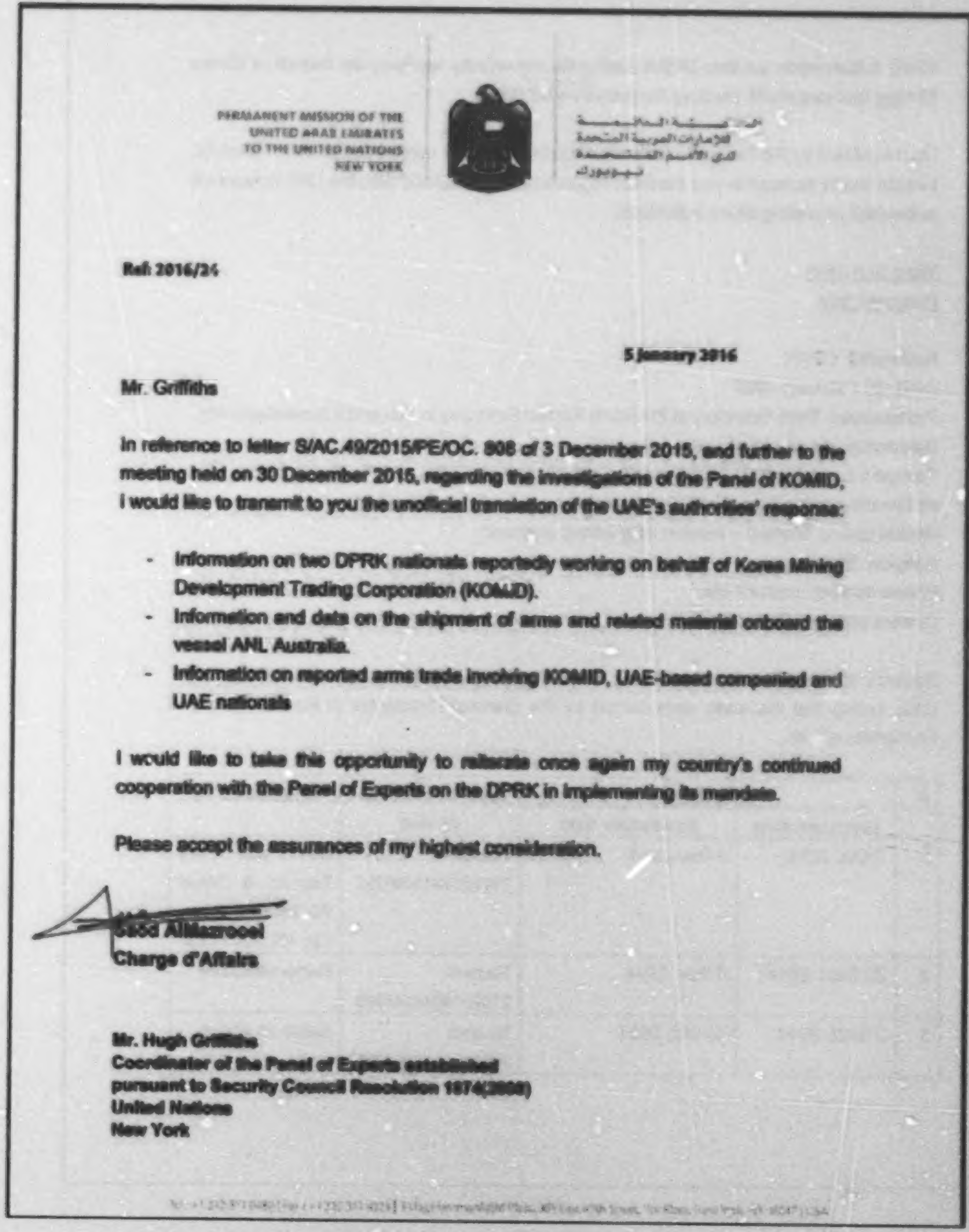
[31] Letter to the Panel from the Pakistan Mission to the United Nations. No. First-5/3/2015, 7 January 2015.

[32] Mr. Song Chol Jang,Mr. Yong Son Jang, Mr. Yong Chol Kim. Mr. Ryong Kang, Mr. Jin Ryu. Mr. Jong Hun Kil, and Mr. Kwang Yon Kim.

[33] Evidence obtained by the Panel shows that the other individual designated by the United States as KOMID's representative in Syria also travelled on the same flights as Mr. Kang to Uganda.

Annex 104 : United Arab Emirates (UAE) response to the Panel



PERMANENT MISSION OF THE
UNITED ARAB EMIRATES
TO THE UNITED NATIONS
NEW YORK

البعثة الدائمة
للإمارات العربية المتحدة
لدى الأمم المتحدة
نيويورك

Ref: 2016/24

5 January 2016

Mr. Griffiths

In reference to letter S/AC.49/2015/PE/OC. 908 of 3 December 2015, and further to the meeting held on 30 December 2015, regarding the investigations of the Panel of KOMID, I would like to transmit to you the unofficial translation of the UAE's authorities' response:

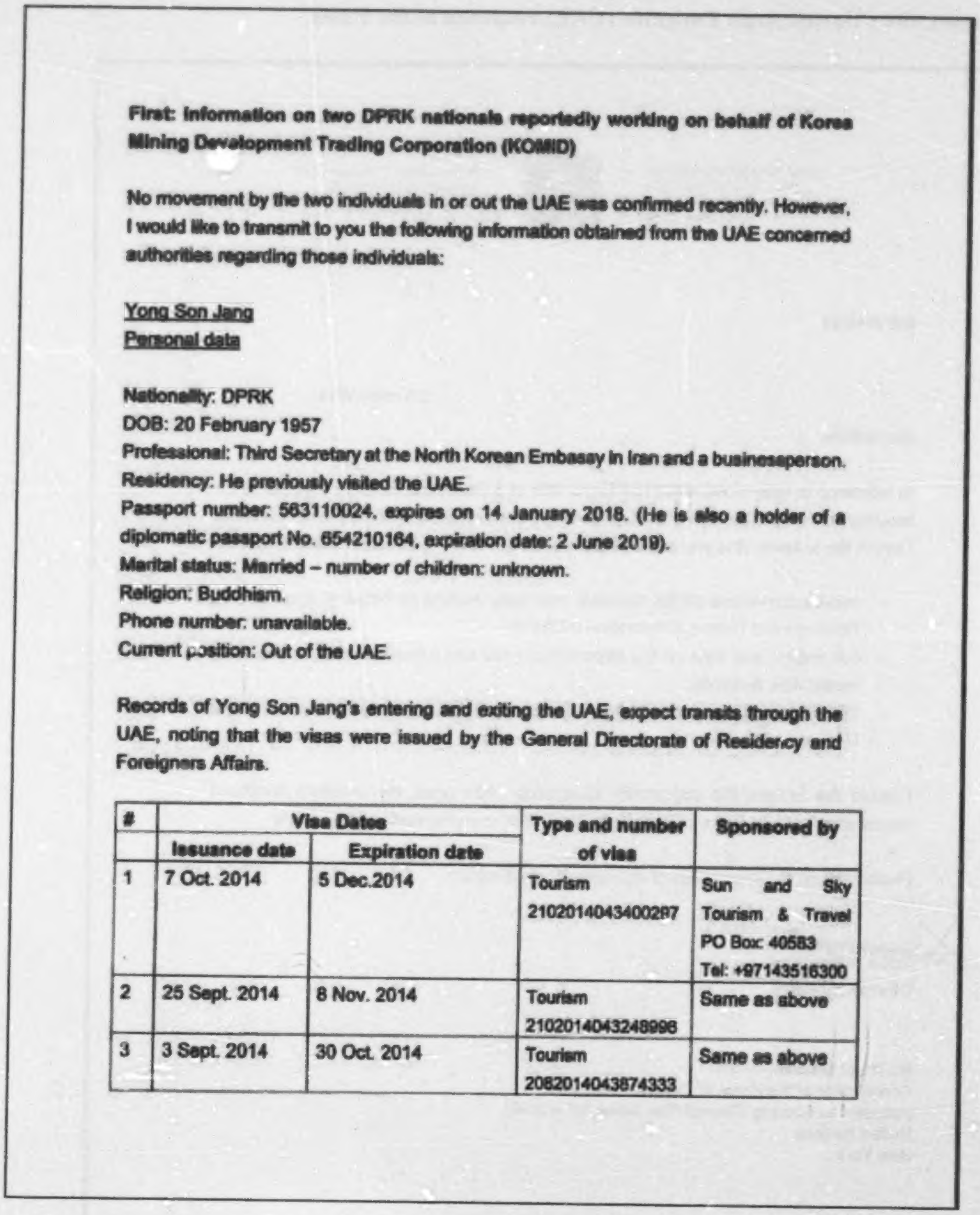
- **Information on two DPRK nationals reportedly working on behalf of Korea Mining Development Trading Corporation (KOMID).**
- **Information and data on the shipment of arms and related material onboard the vessel ANL Australia.**
- **Information on reported arms trade involving KOMID, UAE-based companies and UAE nationals**

I would like to take this opportunity to reiterate once again my country's continued cooperation with the Panel of Experts on the DPRK in implementing its mandate.

Please accept the assurances of my highest consideration.

Saud AlMazrooei
Charge d'Affairs

Mr. Hugh Griffiths
Coordinator of the Panel of Experts established
pursuant to Security Council Resolution 1874(2009)
United Nations
New York



First: Information on two DPRK nationals reportedly working on behalf of Korea Mining Development Trading Corporation (KOMID)

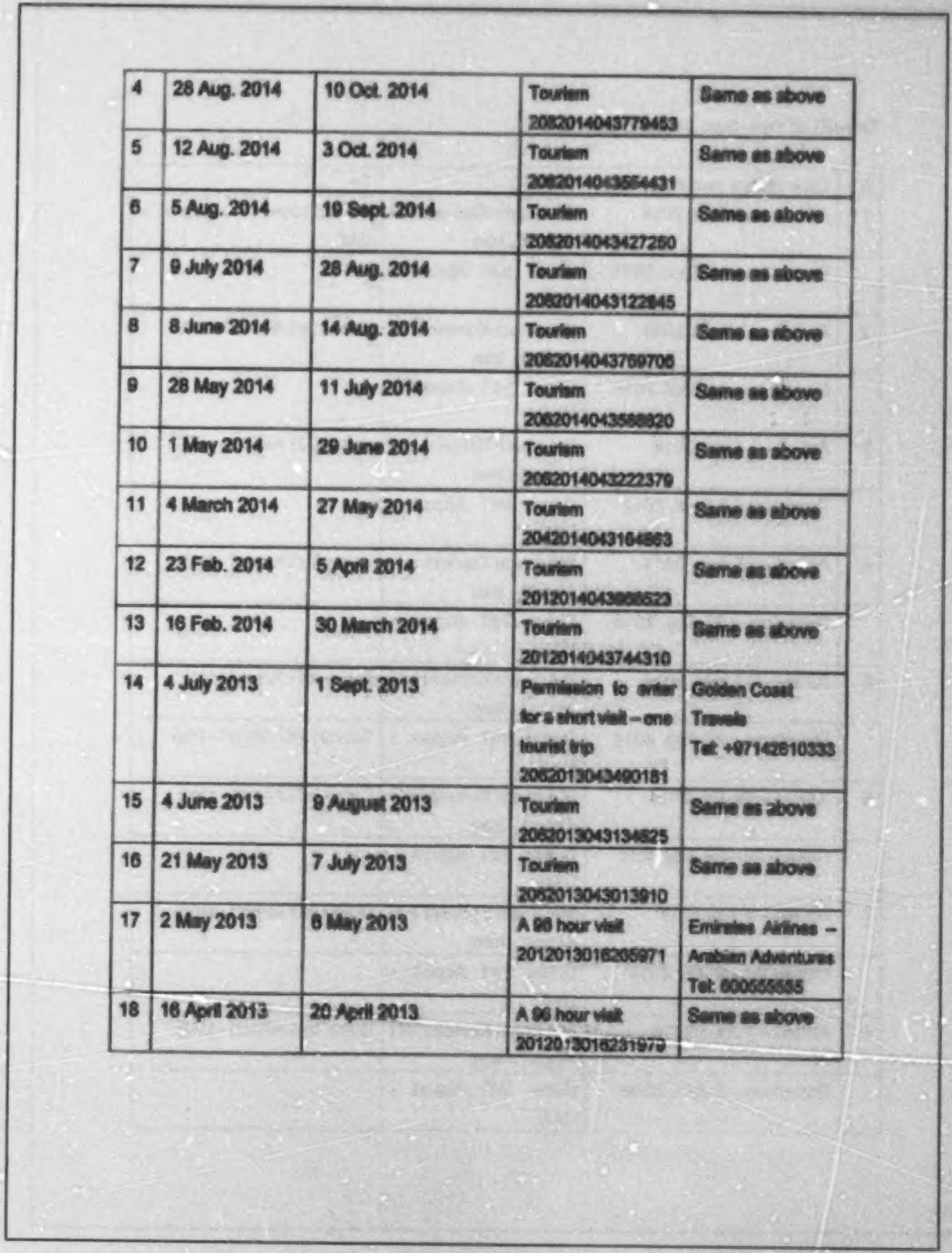
No movement by the two individuals in or out the UAE was confirmed recently. However, I would like to transmit to you the following information obtained from the UAE concerned authorities regarding those individuals:

Yong Son Jang
Personal data

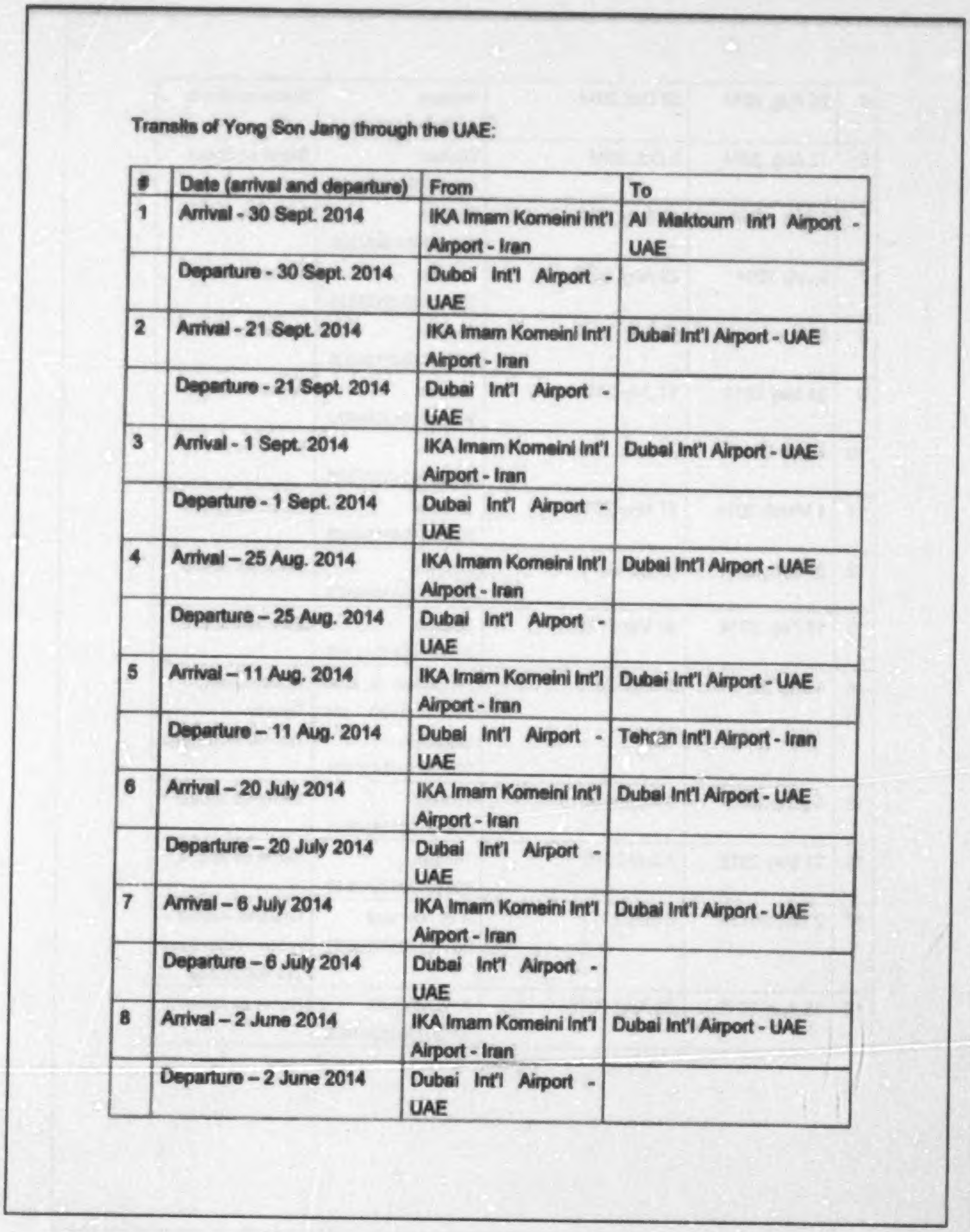
Nationality: DPRK
DOB: 20 February 1957
Professional: Third Secretary at the North Korean Embassy in Iran and a businessperson.
Residency: He previously visited the UAE.
Passport number: 563110024, expires on 14 January 2018. (He is also a holder of a diplomatic passport No. 654210164, expiration date: 2 June 2019).
Marital status: Married – number of children: unknown.
Religion: Buddhism.
Phone number: unavailable.
Current position: Out of the UAE.

Records of Yong Son Jang's entering and exiting the UAE, expect transits through the UAE, noting that the visas were issued by the General Directorate of Residency and Foreigners Affairs.

#	Visa Dates		Type and number of visa	Sponsored by
	Issuance date	Expiration date		
1	7 Oct. 2014	5 Dec.2014	Tourism 2102014043400287	Sun and Sky Tourism & Travel PO Box: 40583 Tel: +97143516300
2	25 Sept. 2014	8 Nov. 2014	Tourism 2102014043248998	Same as above
3	3 Sept. 2014	30 Oct. 2014	Tourism 2082014043874333	Same as above

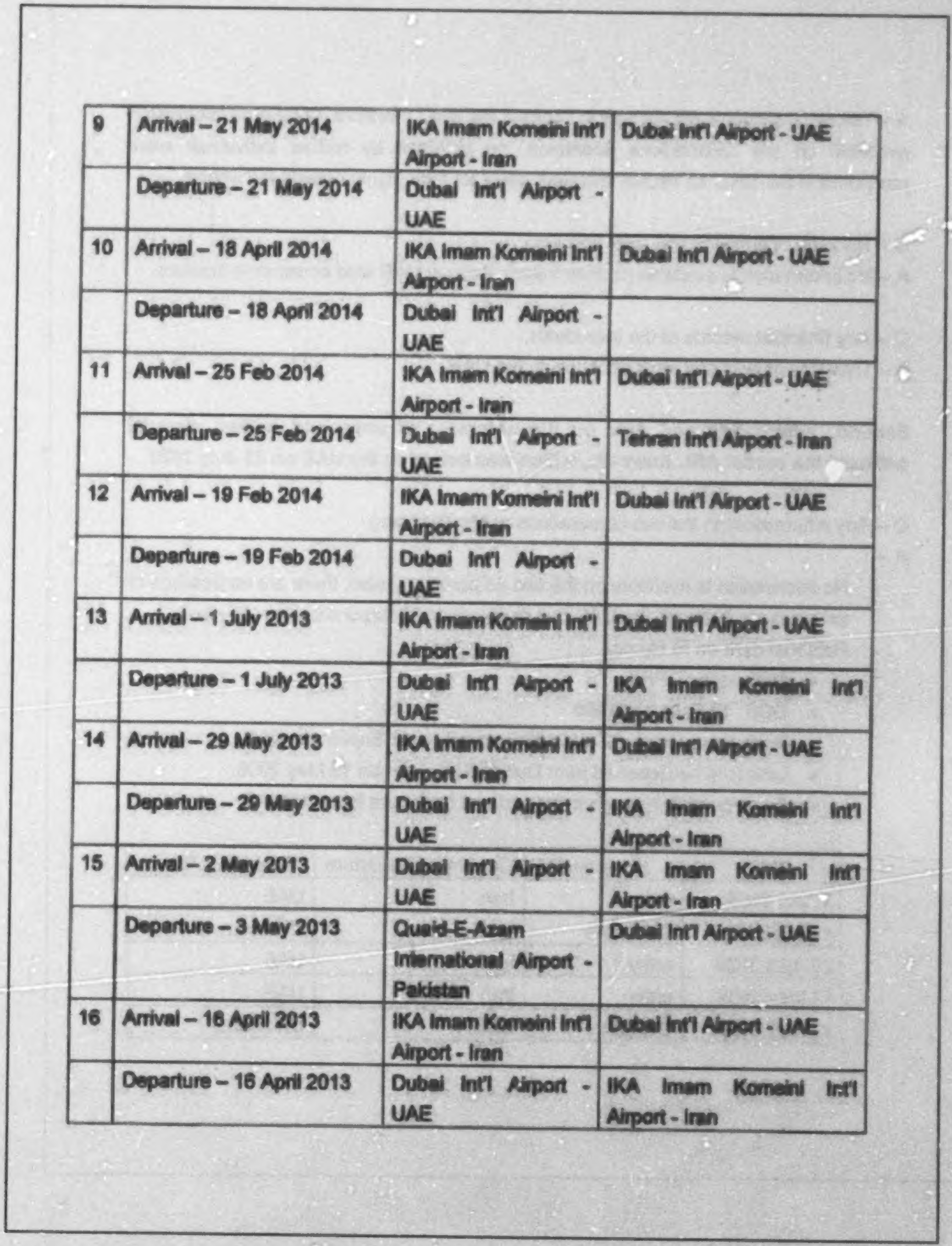


4	28 Aug. 2014	10 Oct. 2014	Tourism 2062014043779453	Same as above
5	12 Aug. 2014	3 Oct. 2014	Tourism 2062014043554431	Same as above
6	5 Aug. 2014	19 Sept. 2014	Tourism 2062014043427250	Same as above
7	9 July 2014	28 Aug. 2014	Tourism 2062014043122845	Same as above
8	8 June 2014	14 Aug. 2014	Tourism 2062014043769706	Same as above
9	28 May 2014	11 July 2014	Tourism 2062014043568820	Same as above
10	1 May 2014	29 June 2014	Tourism 2062014043222379	Same as above
11	4 March 2014	27 May 2014	Tourism 2042014043164863	Same as above
12	23 Feb. 2014	5 April 2014	Tourism 2012014043868523	Same as above
13	16 Feb. 2014	30 March 2014	Tourism 2012014043744310	Same as above
14	4 July 2013	1 Sept. 2013	Permission to enter for a short visit – one tourist trip 2062013043490181	Golden Coast Travels Tel: +97142610333
15	4 June 2013	9 August 2013	Tourism 2062013043134625	Same as above
16	21 May 2013	7 July 2013	Tourism 2062013043013910	Same as above
17	2 May 2013	6 May 2013	A 96 hour visit 2012013016265971	Emirates Airlines – Arabian Adventures Tel: 600555555
18	16 April 2013	20 April 2013	A 96 hour visit 2012013016231979	Same as above



Transits of Yong Son Jang through the UAE:

#	Date (arrival and departure)	From	To
1	Arrival - 30 Sept. 2014	IKA Imam Komeini Int'l Airport - Iran	Al Maktoum Int'l Airport - UAE
	Departure - 30 Sept. 2014	Duboi Int'l Airport - UAE	
2	Arrival - 21 Sept. 2014	IKA Imam Komeini Int'l Airport - Iran	Dubai Int'l Airport - UAE
	Departure - 21 Sept. 2014	Dubai Int'l Airport - UAE	
3	Arrival - 1 Sept. 2014	IKA Imam Komeini Int'l Airport - Iran	Dubai Int'l Airport - UAE
	Departure - 1 Sept. 2014	Dubai Int'l Airport - UAE	
4	Arrival – 25 Aug. 2014	IKA Imam Komeini Int'l Airport - Iran	Dubai Int'l Airport - UAE
	Departure – 25 Aug. 2014	Dubai Int'l Airport - UAE	
5	Arrival – 11 Aug. 2014	IKA Imam Komeini Int'l Airport - Iran	Dubai Int'l Airport - UAE
	Departure – 11 Aug. 2014	Dubai Int'l Airport - UAE	Tehran Int'l Airport - Iran
6	Arrival – 20 July 2014	IKA Imam Komeini Int'l Airport - Iran	Dubai Int'l Airport - UAE
	Departure – 20 July 2014	Dubai Int'l Airport - UAE	
7	Arrival – 6 July 2014	IKA Imam Komeini Int'l Airport - Iran	Dubai Int'l Airport - UAE
	Departure – 6 July 2014	Dubai Int'l Airport - UAE	
8	Arrival – 2 June 2014	IKA Imam Komeini Int'l Airport - Iran	Dubai Int'l Airport - UAE
	Departure – 2 June 2014	Dubai Int'l Airport - UAE	



9	Arrival – 21 May 2014	IKA Imam Komeini Int'l Airport - Iran	Dubai Int'l Airport - UAE
	Departure – 21 May 2014	Dubai Int'l Airport - UAE	
10	Arrival – 18 April 2014	IKA Imam Komeini Int'l Airport - Iran	Dubai Int'l Airport - UAE
	Departure – 18 April 2014	Dubai Int'l Airport - UAE	
11	Arrival – 25 Feb 2014	IKA Imam Komeini Int'l Airport - Iran	Dubai Int'l Airport - UAE
	Departure – 25 Feb 2014	Dubai Int'l Airport - UAE	Tehran Int'l Airport - Iran
12	Arrival – 19 Feb 2014	IKA Imam Komeini Int'l Airport - Iran	Dubai Int'l Airport - UAE
	Departure – 19 Feb 2014	Dubai Int'l Airport - UAE	
13	Arrival – 1 July 2013	IKA Imam Komeini Int'l Airport - Iran	Dubai Int'l Airport - UAE
	Departure – 1 July 2013	Dubai Int'l Airport - UAE	IKA Imam Komeini Int'l Airport - Iran
14	Arrival – 29 May 2013	IKA Imam Komeini Int'l Airport - Iran	Dubai Int'l Airport - UAE
	Departure – 29 May 2013	Dubai Int'l Airport - UAE	IKA Imam Komeini Int'l Airport - Iran
15	Arrival – 2 May 2013	Dubai Int'l Airport - UAE	IKA Imam Komeini Int'l Airport - Iran
	Departure – 3 May 2013	Quaid-E-Azam International Airport - Pakistan	Dubai Int'l Airport - UAE
16	Arrival – 16 April 2013	IKA Imam Komeini Int'l Airport - Iran	Dubai Int'l Airport - UAE
	Departure – 16 April 2013	Dubai Int'l Airport - UAE	IKA Imam Komeini Int'l Airport - Iran

A – The two individuals did not stay in hotels in the UAE; therefore, there is no information available on any reservations. Moreover, no activities by neither individuals were monitored in the UAE, as usually travelers await for their flights outside the airport.

Q – Records of crossing any UAE borders.
A – No information is available on their travels through UAE land or maritime borders.

Q – Any financial records of the individuals.
A – They do not hold any bank accounts in the UAE.

Second: Information and data on the shipment of arms and related material onboard the vessel ANL Australia, which was seized in the UAE on 22 July 2009

Q – Any information on the two corporations or Mr. Ri Hyong
A –

- No information is available on the two corporations; also, there are no dealings or associations between the UAE and the mentioned corporations or Mr. Hyong.
- Personal date on Ri Hyong:
    - Nationality: DPRK
    - DOB: 10 February 1956
    - Passport number: 827310102, expired on 12 September 2012.
    - Last time he departed from Dubai to Iran was on 12 May 2009.
    - Records of Ri Hyong's entry into and departure from the UAE:

Date	Movement	Country of Departure	Country of Arrival
3 April 2009	entry	Iran	UAE
4 April 2009	Departure	UAE	Unknown
20 April 2009	entry	Iran	UAE
11 May 2009	entry	Iran	UAE
12 May 2009	Departure	UAE	Unknown

Third: Information on reported arms trade involving KOMID, UAE-based companies and UAE nationals

Q – Information and documentation on past or currently planned arms trade involving KOMID, Al Mutlaq Technology and International Golden Group.

A – No such dealings between the above parties was detected.

Q – A list of all other entities and individuals involved since October 2006 in past and planned KOMID related arms trade activities.

A – No list is available on names of individuals or entities involved in arms trade with KOMID since October 2006.

Q – Information on registration records for Al Mutlaq Technology and International Golden Group.

A – Al Mutlaq Technology:

- **Private company.**
- **Based in Dubai, Al Kuthban Bldg., Sheikh Zayed Rd.**
- **PO Box. 37562.**
- **Tel: 043383888**
- **Activity: General Trading.**
- **License number: 201887**
- **License issuance date: 11 August 1982**
- **License expiration date: 10 August 2016**
- **(A copy of the license was submitted to the Panel during the meeting on 30 December 2015).**

Q – Information on Mr. Abdulrahman Baqer:

A –

- **Nationality: UAE.**
- **DOB: 1 January 1953**
- **Passport number: HFR234276**
- **Position: Executive Director of Al Mutlaq Technology**
- **(A copy of the passport was submitted to the Panel during the meeting on 30 December 2015).**

Q – Any information available to the UAE authorities regarding transfers or attempted transfers to/from DPRK after October 2006 of any arms or related material which were brokered by Al Mutlaq Technology or Mr. Baqer.
A – No such activities were detected after October 2006.

Q – Any information available to the UAE authorities regarding any financial and trading transactions after April 2009 between KOMID and Al Mutlaq Technology or Mr. Baqer.
A – No information is available on any financial and trading transactions after April 2009 between KOMID and Al Mutlaq Tech. or Mr. Baqer, or on behalf of them.

Q – Any additional information available to the UAE authorities regarding KOMID's relationship with Al Mutlaq Tech or Mr. Baqer.
A –

- No relationship was detected between KOMID and Al Mutlaq Tech or Mr. Baqer since October 2006.
- During the investigations, it was found that a quotation offer was requested from an individual named Mr. Yoon Song Kim, from North Korea based in China, on equipment. Mr. Kim presented an offer; however, his offer did not go through and no transaction was made. A European company was also contacted regarding the same equipment. The company presented an offer, but it did not go through neither.
- Entities that were involved in the $100,000,000 offer are:
  - Mr. Abdulrahman Baqer.
  - Mr. Yoon Song Kim.
  - Al Mutlaq Technology.

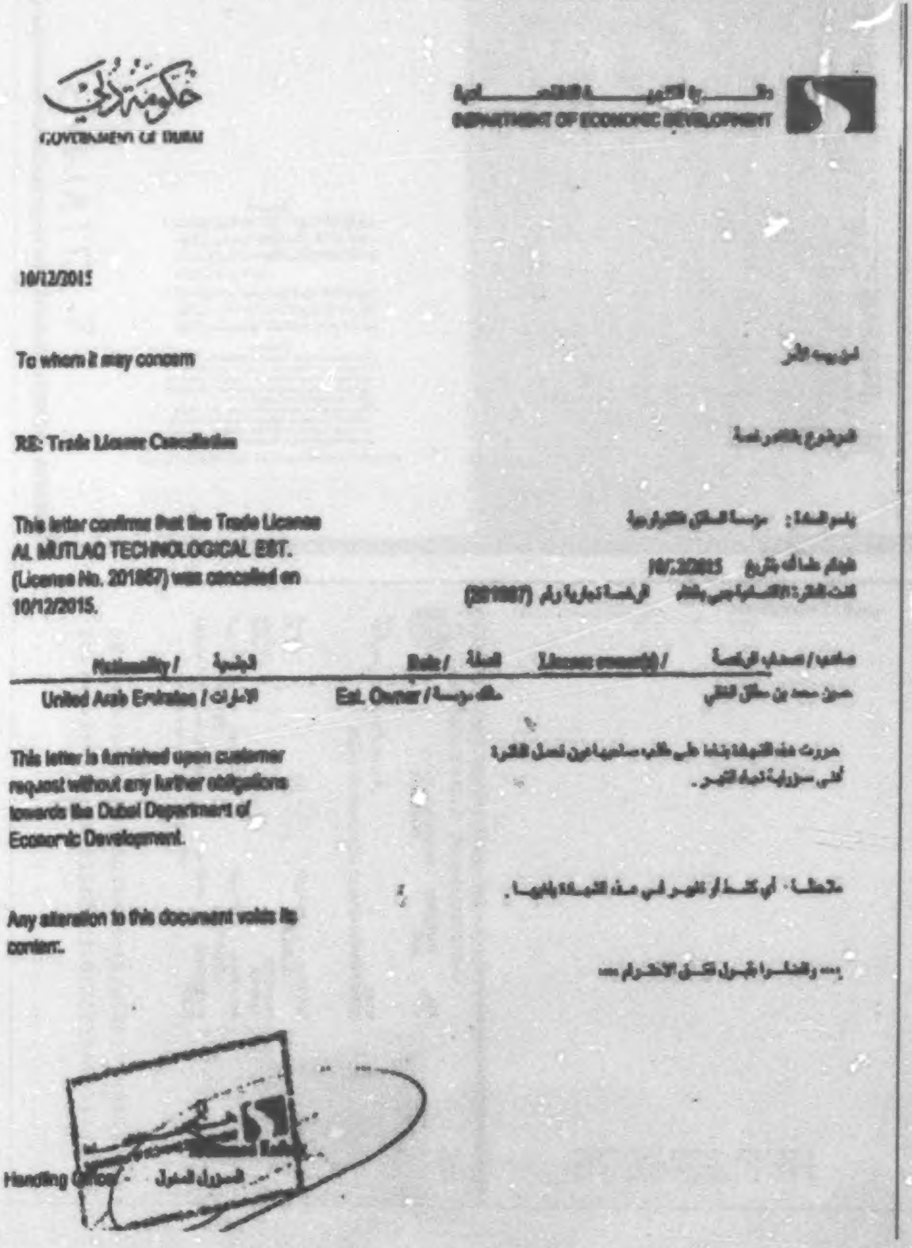
Mr. Yoon Song Kim's personal data:

- Nationality: North Korea.
- DOB: 11 February 1960.
- Passport number: 381220190.

Measures taken by the UAE authorities in this regard:

- Investigations were conducted with members of Al Mutlaq entity.
- The entity was closed, as a precautionary measure.
- Documents and computers of the entity were seized.

Annex 105 : United Arab Emirates documents related to arms trading entity Al Mutlaq Technology and its closure



حكومة دبي
GOVERNMENT OF DUBAI

دائرة التنمية الاقتصادية
DEPARTMENT OF ECONOMIC DEVELOPMENT

10/12/2015

To whom it may concern

إلى من يهمه الأمر

RE: Trade License Cancellation

الموضوع: إلغاء رخصة

This letter confirms that the Trade License AL MUTLAQ TECHNOLOGICAL EST. (License No. 201887) was cancelled on 10/12/2015.

باسم المنشأة : مؤسسة المطلق التكنولوجية
نفيدكم علماً بأنه بتاريخ 10/12/2015
تمت الشطب/الاستغناء عن نشاط الرخصة التجارية رقم (201887)

صاحب / أصحاب الرخصة License owner(s) /	الصفة Role /	الجنسية Nationality /
حسن محمد بن مطلق [illegible]	Est. Owner / مالك مؤسسة	United Arab Emirates / الإمارات

This letter is furnished upon customer request without any further obligations towards the Dubai Department of Economic Development.

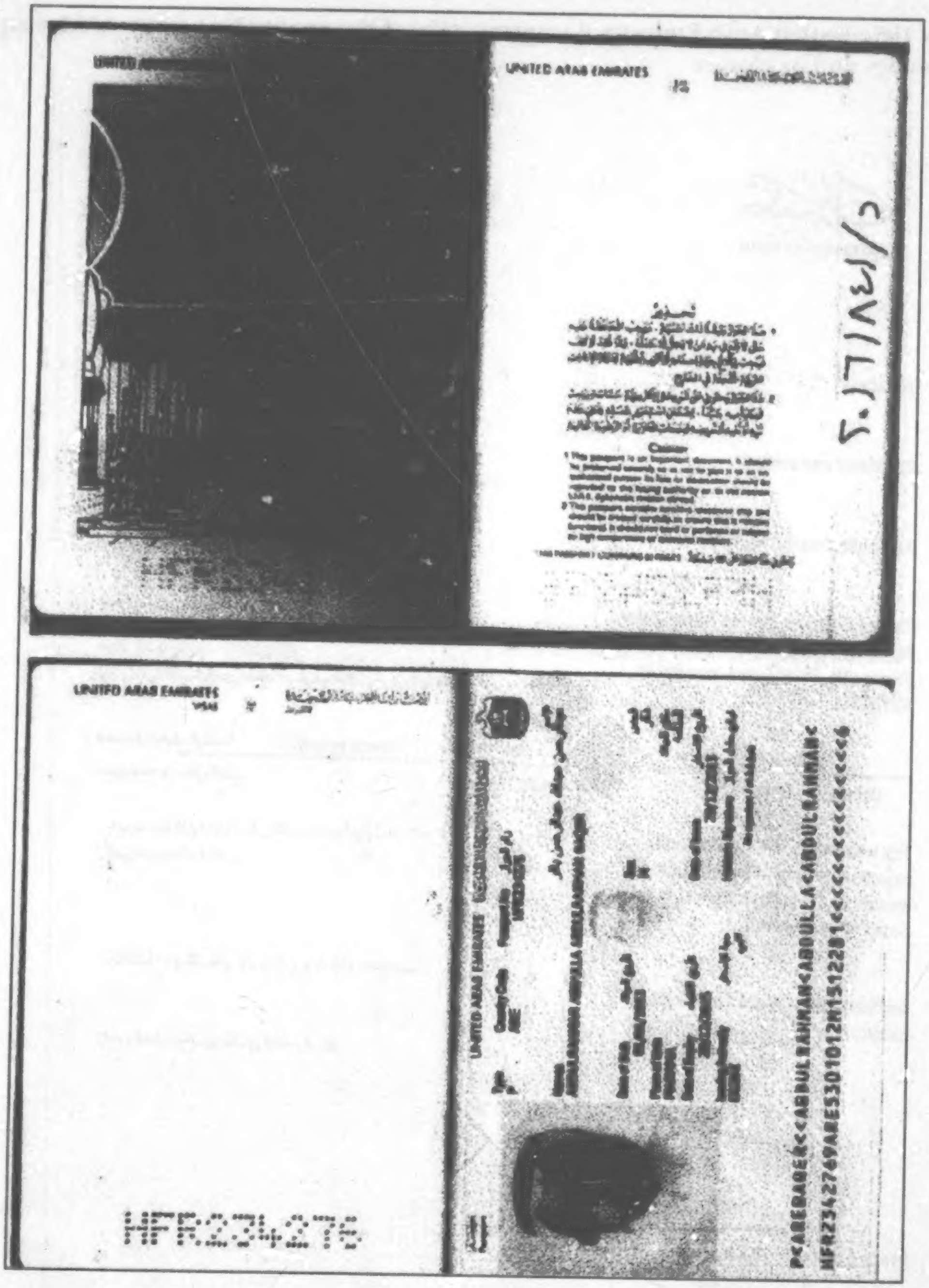
حررت هذه الشهادة بناءً على طلب صاحبها دون تحمل الدائرة أدنى مسؤولية تجاه الغير.

Any alteration to this document voids its content.

ملاحظة: أي كشط أو تغيير في هذه الشهادة يلغيها.

... وتفضلوا بقبول فائق الاحترام ...

Handling Officer - المسؤول المختص


UNITED ARAB EMIRATES
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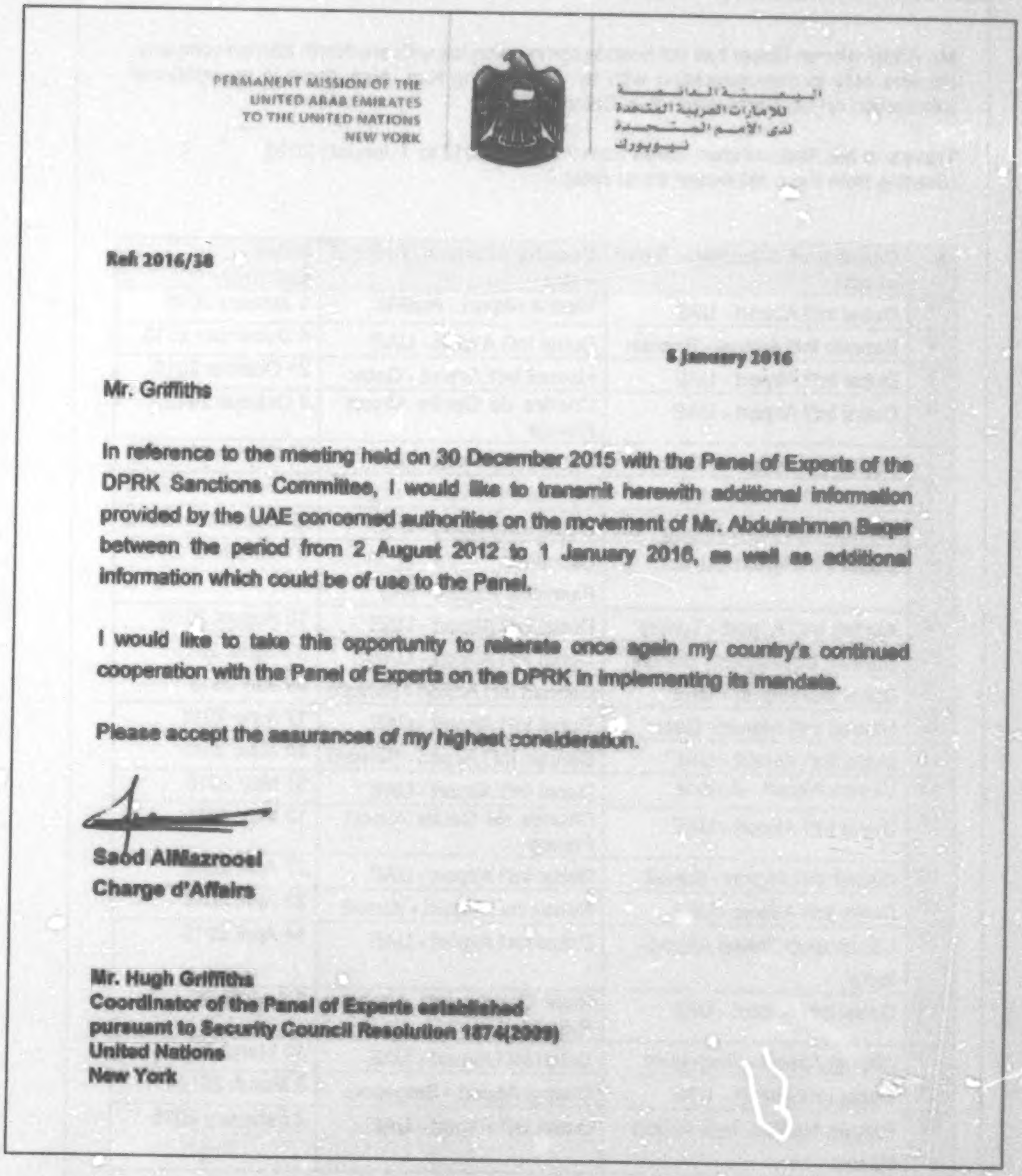


PERMANENT MISSION OF THE
UNITED ARAB EMIRATES
TO THE UNITED NATIONS
NEW YORK

البعثة الدائمة
للامارات العربية المتحدة
لدى الأمم المتحدة
نيويورك

Ref: 2016/38

8 January 2016

Mr. Griffiths

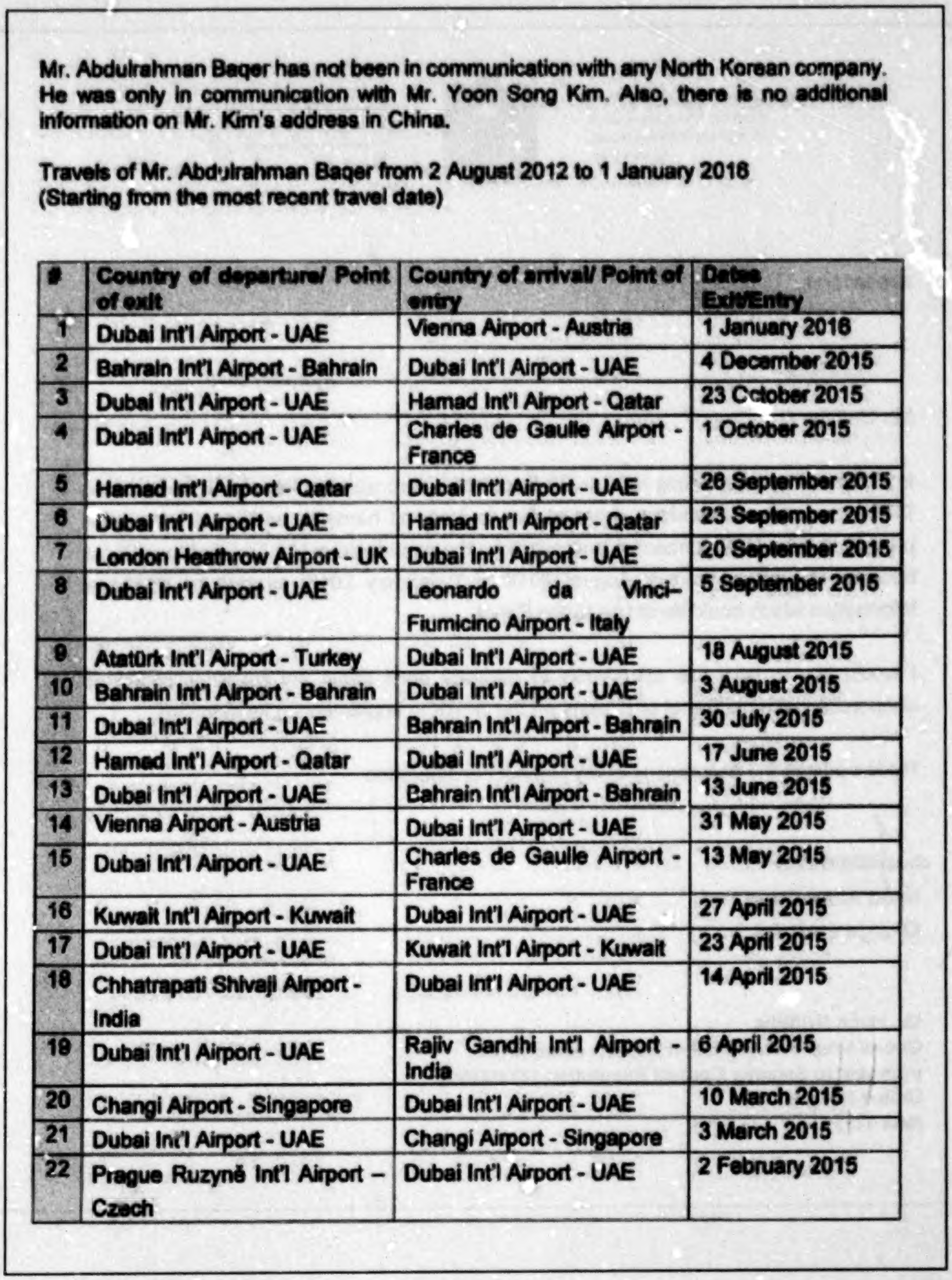
In reference to the meeting held on 30 December 2015 with the Panel of Experts of the DPRK Sanctions Committee, I would like to transmit herewith additional information provided by the UAE concerned authorities on the movement of Mr. Abdulrahman Baqer between the period from 2 August 2012 to 1 January 2016, as well as additional information which could be of use to the Panel.

I would like to take this opportunity to reiterate once again my country's continued cooperation with the Panel of Experts on the DPRK in implementing its mandate.

Please accept the assurances of my highest consideration.

Saod AlMazrooei
Charge d'Affairs

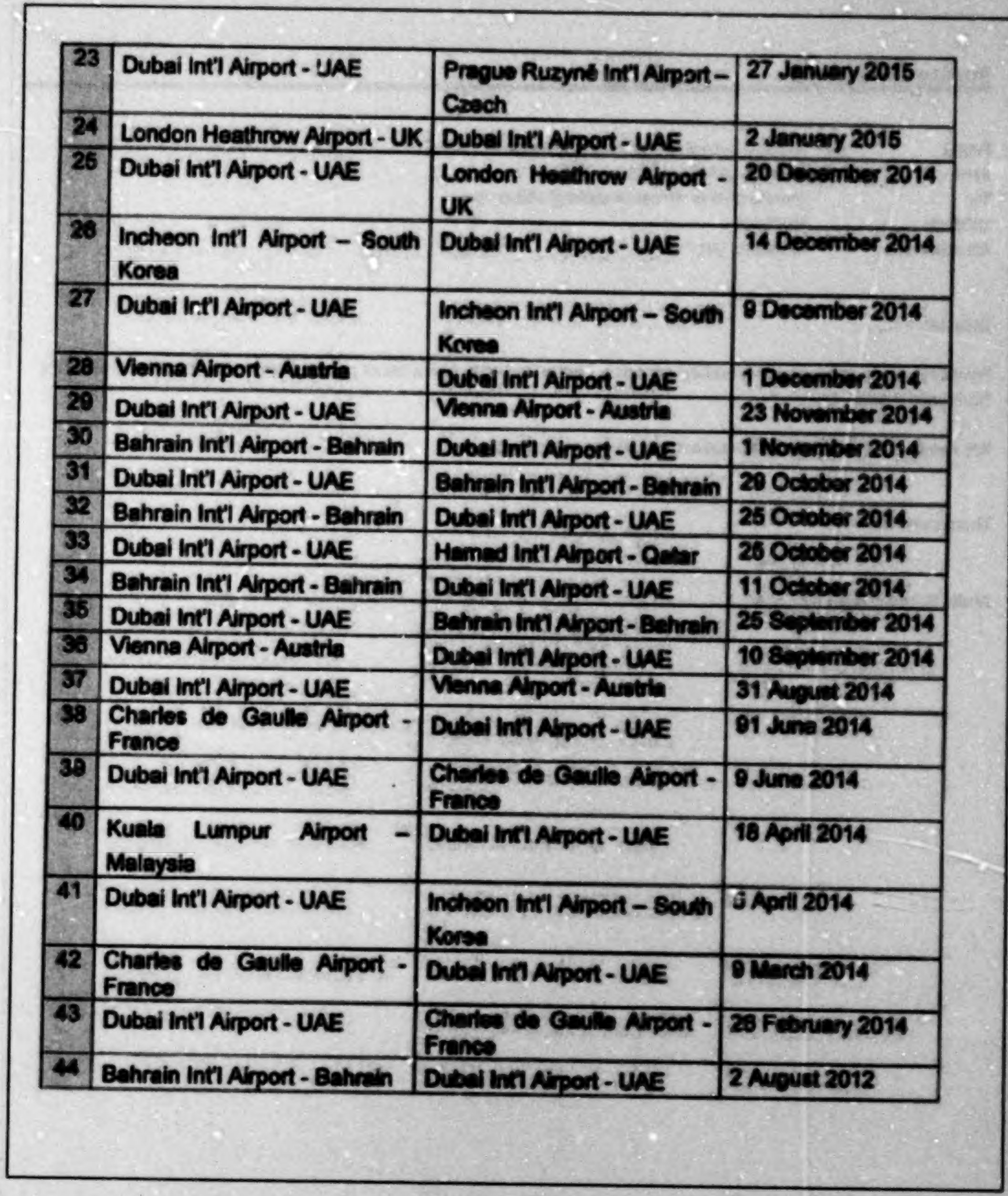
Mr. Hugh Griffiths
Coordinator of the Panel of Experts established
pursuant to Security Council Resolution 1874(2009)
United Nations
New York



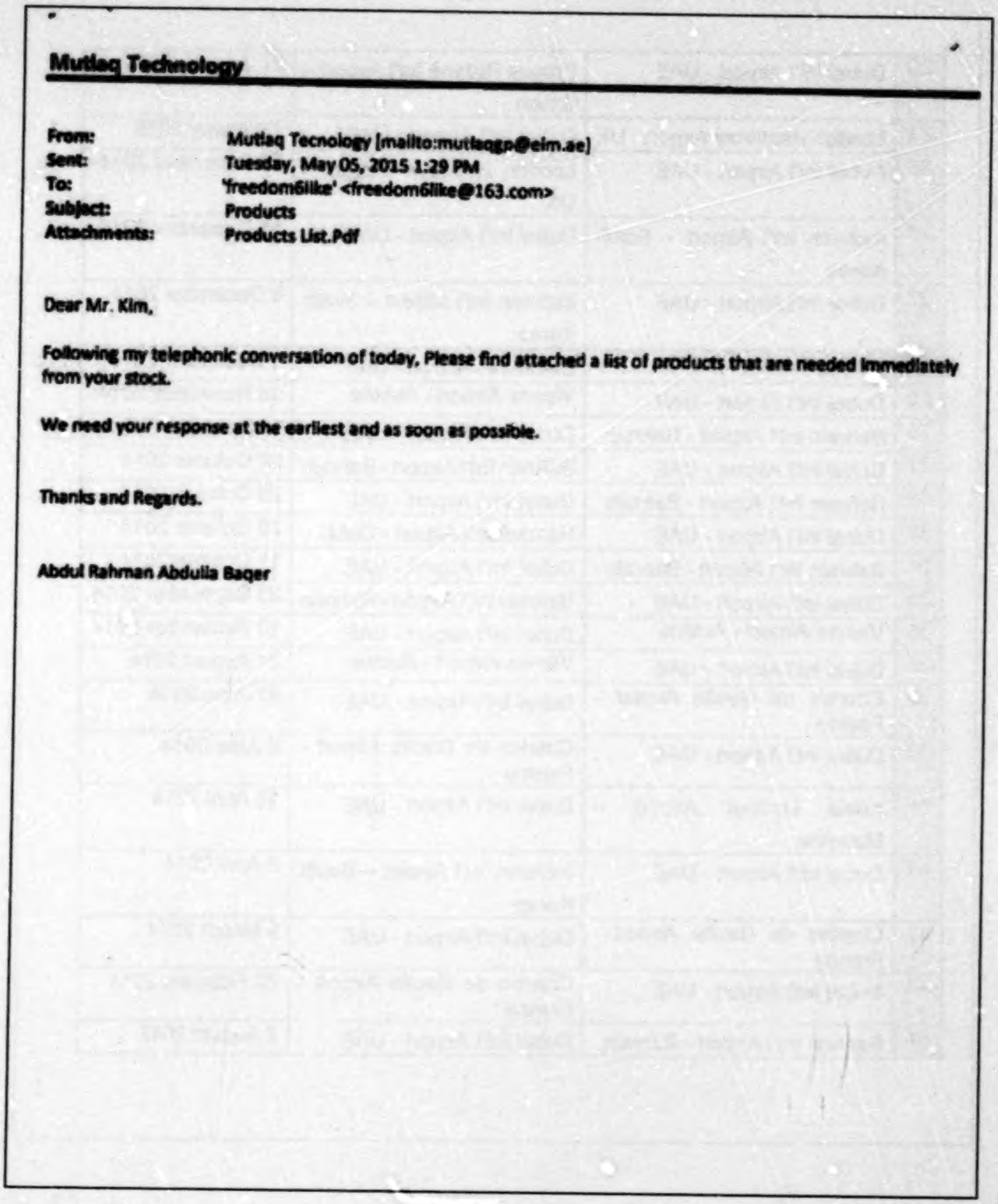
Mr. Abdulrahman Baqer has not been in communication with any North Korean company. He was only in communication with Mr. Yoon Song Kim. Also, there is no additional information on Mr. Kim's address in China.

Travels of Mr. Abdulrahman Baqer from 2 August 2012 to 1 January 2016
(Starting from the most recent travel date)

#	Country of departure/ Point of exit	Country of arrival/ Point of entry	Dates Exit/Entry
1	Dubai Int'l Airport - UAE	Vienna Airport - Austria	1 January 2016
2	Bahrain Int'l Airport - Bahrain	Dubai Int'l Airport - UAE	4 December 2015
3	Dubai Int'l Airport - UAE	Hamad Int'l Airport - Qatar	23 October 2015
4	Dubai Int'l Airport - UAE	Charles de Gaulle Airport - France	1 October 2015
5	Hamad Int'l Airport - Qatar	Dubai Int'l Airport - UAE	26 September 2015
6	Dubai Int'l Airport - UAE	Hamad Int'l Airport - Qatar	23 September 2015
7	London Heathrow Airport - UK	Dubai Int'l Airport - UAE	20 September 2015
8	Dubai Int'l Airport - UAE	Leonardo da Vinci–Fiumicino Airport - Italy	5 September 2015
9	Atatürk Int'l Airport - Turkey	Dubai Int'l Airport - UAE	18 August 2015
10	Bahrain Int'l Airport - Bahrain	Dubai Int'l Airport - UAE	3 August 2015
11	Dubai Int'l Airport - UAE	Bahrain Int'l Airport - Bahrain	30 July 2015
12	Hamad Int'l Airport - Qatar	Dubai Int'l Airport - UAE	17 June 2015
13	Dubai Int'l Airport - UAE	Bahrain Int'l Airport - Bahrain	13 June 2015
14	Vienna Airport - Austria	Dubai Int'l Airport - UAE	31 May 2015
15	Dubai Int'l Airport - UAE	Charles de Gaulle Airport - France	13 May 2015
16	Kuwait Int'l Airport - Kuwait	Dubai Int'l Airport - UAE	27 April 2015
17	Dubai Int'l Airport - UAE	Kuwait Int'l Airport - Kuwait	23 April 2015
18	Chhatrapati Shivaji Airport - India	Dubai Int'l Airport - UAE	14 April 2015
19	Dubai Int'l Airport - UAE	Rajiv Gandhi Int'l Airport - India	6 April 2015
20	Changi Airport - Singapore	Dubai Int'l Airport - UAE	10 March 2015
21	Dubai Int'l Airport - UAE	Changi Airport - Singapore	3 March 2015
22	Prague Ruzyně Int'l Airport – Czech	Dubai Int'l Airport - UAE	2 February 2015



23	Dubai Int'l Airport - UAE	Prague Ruzyně Int'l Airport – Czech	27 January 2015
24	London Heathrow Airport - UK	Dubai Int'l Airport - UAE	2 January 2015
25	Dubai Int'l Airport - UAE	London Heathrow Airport - UK	20 December 2014
26	Incheon Int'l Airport – South Korea	Dubai Int'l Airport - UAE	14 December 2014
27	Dubai Int'l Airport - UAE	Incheon Int'l Airport – South Korea	9 December 2014
28	Vienna Airport - Austria	Dubai Int'l Airport - UAE	1 December 2014
29	Dubai Int'l Airport - UAE	Vienna Airport - Austria	23 November 2014
30	Bahrain Int'l Airport - Bahrain	Dubai Int'l Airport - UAE	1 November 2014
31	Dubai Int'l Airport - UAE	Bahrain Int'l Airport - Bahrain	29 October 2014
32	Bahrain Int'l Airport - Bahrain	Dubai Int'l Airport - UAE	25 October 2014
33	Dubai Int'l Airport - UAE	Hamad Int'l Airport - Qatar	25 October 2014
34	Bahrain Int'l Airport - Bahrain	Dubai Int'l Airport - UAE	11 October 2014
35	Dubai Int'l Airport - UAE	Bahrain Int'l Airport - Bahrain	25 September 2014
36	Vienna Airport - Austria	Dubai Int'l Airport - UAE	10 September 2014
37	Dubai Int'l Airport - UAE	Vienna Airport - Austria	31 August 2014
38	Charles de Gaulle Airport - France	Dubai Int'l Airport - UAE	91 June 2014
39	Dubai Int'l Airport - UAE	Charles de Gaulle Airport - France	9 June 2014
40	Kuala Lumpur Airport – Malaysia	Dubai Int'l Airport - UAE	18 April 2014
41	Dubai Int'l Airport - UAE	Incheon Int'l Airport – South Korea	3 April 2014
42	Charles de Gaulle Airport - France	Dubai Int'l Airport - UAE	9 March 2014
43	Dubai Int'l Airport - UAE	Charles de Gaulle Airport - France	28 February 2014
44	Bahrain Int'l Airport - Bahrain	Dubai Int'l Airport - UAE	2 August 2012



Mutlaq Technology

From: Mutlaq Tecnology [mailto:mutlaqgp@eim.ae]
Sent: Tuesday, May 05, 2015 1:29 PM
To: 'freedom6like' <freedom6like@163.com>
Subject: Products
Attachments: Products List.Pdf

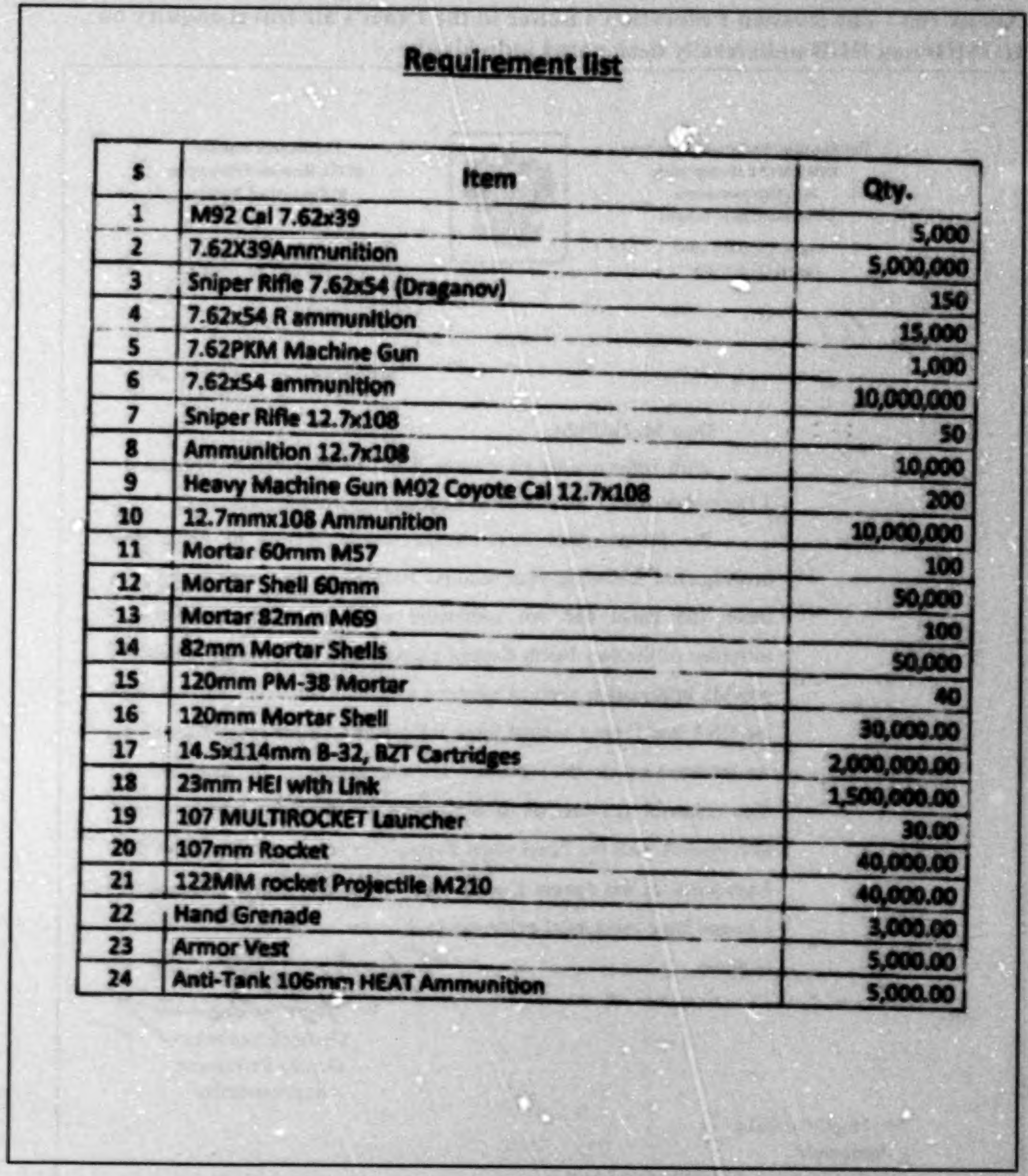
Dear Mr. Kim,

Following my telephonic conversation of today, Please find attached a list of products that are needed immediately from your stock.

We need your response at the earliest and as soon as possible.

Thanks and Regards.

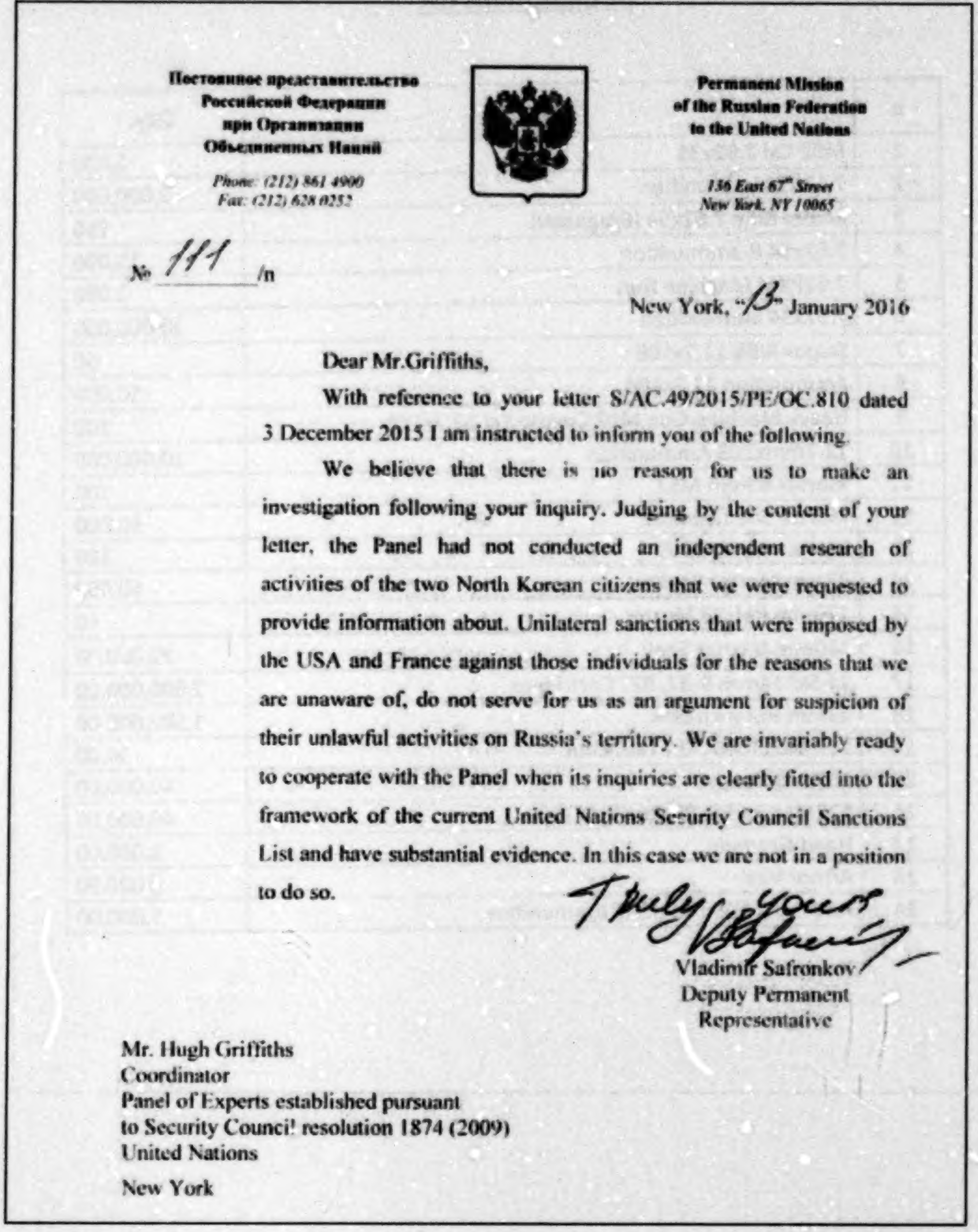
Abdul Rahman Abdulla Baqer



Requirement list

S	Item	Qty.
1	M92 Cal 7.62x39	5,000
2	7.62X39Ammunition	5,000,000
3	Sniper Rifle 7.62x54 (Draganov)	150
4	7.62x54 R ammunition	15,000
5	7.62PKM Machine Gun	1,000
6	7.62x54 ammunition	10,000,000
7	Sniper Rifle 12.7x108	50
8	Ammunition 12.7x108	10,000
9	Heavy Machine Gun M02 Coyote Cal 12.7x108	200
10	12.7mmx108 Ammunition	10,000,000
11	Mortar 60mm M57	100
12	Mortar Shell 60mm	50,000
13	Mortar 82mm M69	100
14	82mm Mortar Shells	50,000
15	120mm PM-38 Mortar	40
16	120mm Mortar Shell	30,000.00
17	14.5x114mm B-32, BZT Cartridges	2,000,000.00
18	23mm HEI with Link	1,500,000.00
19	107 MULTIROCKET Launcher	30.00
20	107mm Rocket	40,000.00
21	122MM rocket Projectile M210	40,000.00
22	Hand Grenade	3,000.00
23	Armor Vest	5,000.00
24	Anti-Tank 106mm HEAT Ammunition	5,000.00

Annex 106 : The Russian Federation's Letter to the Panel's air travel enquiry on KOMID and RGB unilaterally designated individuals



Постоянное представительство
Российской Федерации
при Организации
Объединенных Наций

Phone: (212) 861 4900
Fax: (212) 628 0252

Permanent Mission
of the Russian Federation
to the United Nations

136 East 67th Street
New York, NY 10065

№ 111 /n

New York, "13" January 2016

Dear Mr.Griffiths,

With reference to your letter S/AC.49/2015/PE/OC.810 dated 3 December 2015 I am instructed to inform you of the following.

We believe that there is no reason for us to make an investigation following your inquiry. Judging by the content of your letter, the Panel had not conducted an independent research of activities of the two North Korean citizens that we were requested to provide information about. Unilateral sanctions that were imposed by the USA and France against those individuals for the reasons that we are unaware of, do not serve for us as an argument for suspicion of their unlawful activities on Russia's territory. We are invariably ready to cooperate with the Panel when its inquiries are clearly fitted into the framework of the current United Nations Security Council Sanctions List and have substantial evidence. In this case we are not in a position to do so.

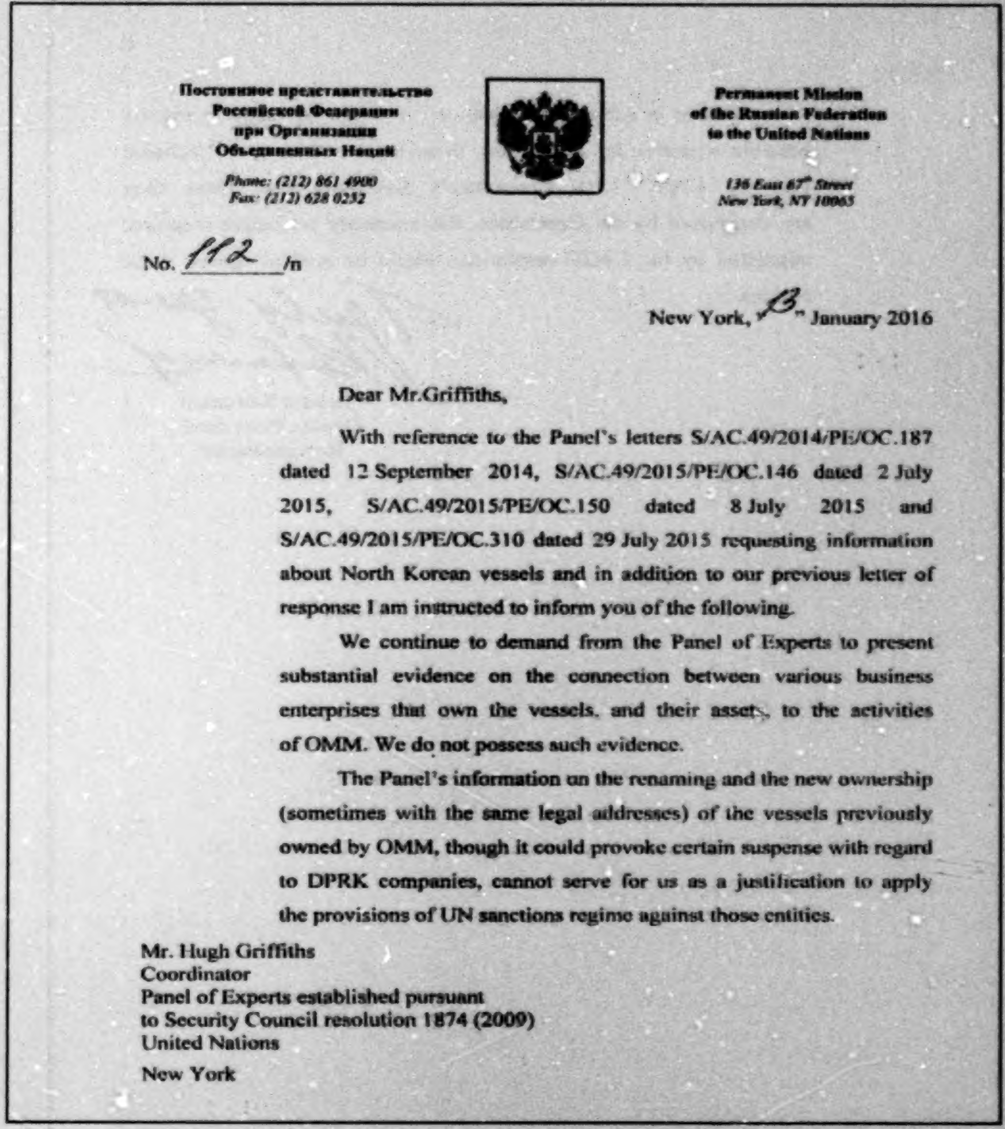
Truly yours

Vladimir Safronkov
Deputy Permanent
Representative

Mr. Hugh Griffiths
Coordinator
Panel of Experts established pursuant
to Security Council resolution 1874 (2009)
United Nations

New York

Annex 107 : The Russian Federation's Letter to the Panel's enquiry on OMM associated vessels



**Постоянное представительство
Российской Федерации
при Организации
Объединенных Наций**

*Phone: (212) 861 4900
Fax: (212) 628 0252*

**Permanent Mission
of the Russian Federation
to the United Nations**

*136 East 67th Street
New York, NY 10065*

No. 112 /п

New York, "13" January 2016

Dear Mr.Griffiths,

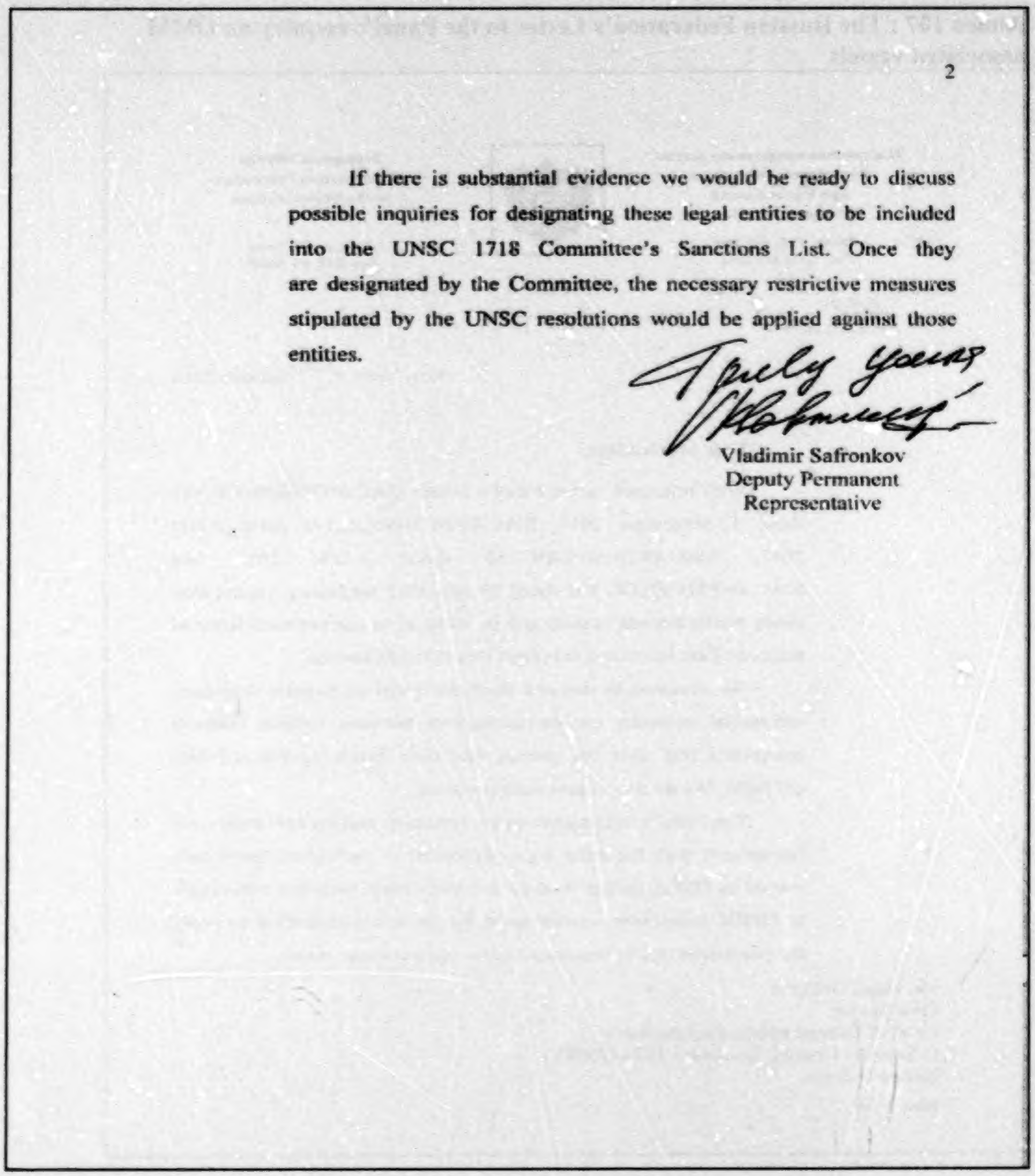
With reference to the Panel's letters S/AC.49/2014/PE/OC.187 dated 12 September 2014, S/AC.49/2015/PE/OC.146 dated 2 July 2015, S/AC.49/2015/PE/OC.150 dated 8 July 2015 and S/AC.49/2015/PE/OC.310 dated 29 July 2015 requesting information about North Korean vessels and in addition to our previous letter of response I am instructed to inform you of the following.

We continue to demand from the Panel of Experts to present substantial evidence on the connection between various business enterprises that own the vessels, and their assets, to the activities of OMM. We do not possess such evidence.

The Panel's information on the renaming and the new ownership (sometimes with the same legal addresses) of the vessels previously owned by OMM, though it could provoke certain suspense with regard to DPRK companies, cannot serve for us as a justification to apply the provisions of UN sanctions regime against those entities.

Mr. Hugh Griffiths
Coordinator
Panel of Experts established pursuant
to Security Council resolution 1874 (2009)
United Nations

New York



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If there is substantial evidence we would be ready to discuss possible inquiries for designating these legal entities to be included into the UNSC 1718 Committee's Sanctions List. Once they are designated by the Committee, the necessary restrictive measures stipulated by the UNSC resolutions would be applied against those entities.

Truly yours

Vladimir Safronkov
Deputy Permanent
Representative

Source: The Panel.

Annex 108 : RTC's initial information about the financial transactions related to the RTC's May 2010 export to Chonbok

Based on the information provided by RTC, the Panel understood that RTC undertook the following financial transactions related to the May 2010 export:

- RTC has been serving as the agent for Korea International Exhibition Corporation (KIEC) to arrange the participation by the companies based in Taiwan Province of China for International Trade Fairs in Pyongyang.

- At that time, RTC helped another Taipei-based travel company (hereafter "company T"), and their customers to attend the Pyongyang International Trade Fair (which RTC also attended). Company A sent RTC airline tickets and "related charges" which RTC was tasked to transfer to KIEC in Pyongyang. Company A transferred to RTC on 13 May 2010 € 28,002.

- On the other hand, Chonbok was obliged to pay RTC the amount of funds € 28,350 at that time (according to the invoice issued by RTC dated 18 May 2010). At the request from RTC, Chonbok forwarded the funds to KIEC who was tasked to hand over the funds to RTC's representative at the occasion of the Pyongyang International Trade Fair.

- Then when RTC attended the trade fair in Pyongyang, RTC's representatives met with KIEC's representatives and calculated the amount of difference, which the Panel understands to be € 348. The Panel also understands that this was the amount of money RTC received from KIEC.

STRICTLY CONFIDENTIAL*

Annex 109

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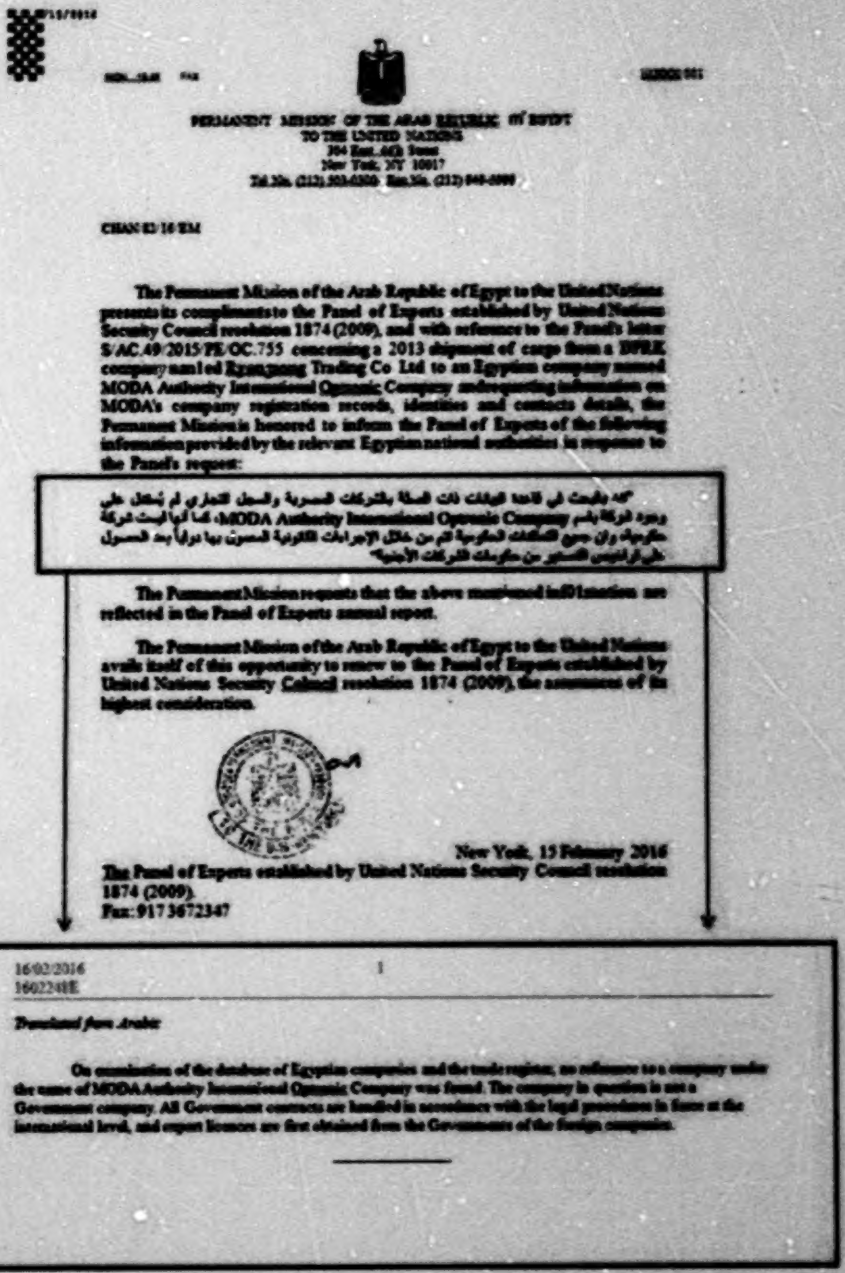
*The annex has not been reproduced in the present document because it is strictly confidential.

Annex 110: Egypt's 15 February 2016 response to the Panel



PERMANENT MISSION OF THE ARAB REPUBLIC OF EGYPT
TO THE UNITED NATIONS
304 East 44th Street
New York, NY 10017
Tel.No. (212) 503-0300 Fax.No. (212) 949-5999

CHAN 82/16 EM

The Permanent Mission of the Arab Republic of Egypt to the United Nations presents its compliments to the Panel of Experts established by United Nations Security Council resolution 1874 (2009), and with reference to the Panel's letter S/AC.49/2015/PE/OC.755 concerning a 2013 shipment of cargo from a DPRK company named Ryongyong Trading Co Ltd to an Egyptian company named MODA Authority International Opmanic Company and requesting information on MODA's company registration records, identities and contacts details, the Permanent Mission is honored to inform the Panel of Experts of the following information provided by the relevant Egyptian national authorities in response to the Panel's request:

"أنه بالبحث في قاعدة البيانات ذات الصلة بالشركات المصرية والسجل التجاري لم يُستدل على وجود الشركة باسم MODA Authority International Opmanic Company، كما أنها ليست شركة حكومية وأن جميع التعاقدات الحكومية تتم من خلال الإجراءات القانونية المعمول بها دولياً بعد الحصول على تراخيص التصدير من حكومات الشركات الأجنبية"

The Permanent Mission requests that the above mentioned infO1mation are reflected in the Panel of Experts annual report.

The Permanent Mission of the Arab Republic of Egypt to the United Nations avails itself of this opportunity to renew to the Panel of Experts established by United Nations Security Colmcil resolution 1874 (2009), the assurances of its highest consideration.

New York, 15 February 2016

The Panel of Experts established by United Nations Security Council resolution 1874 (2009).
Fax: 917 3672347

16/02/2016 1
160224IE

Translated from Arabic

On examination of the database of Egyptian companies and the trade register, no reference to a company under the name of MODA Authority International Opmanic Company was found. The company in question is not a Government company. All Government contracts are handled in accordance with the legal procedures in force at the international level, and export licences are first obtained from the Governments of the foreign companies.